



# BUDGET 2013



## ESTIMATES OF NATIONAL EXPENDITURE **VOTE 22: Defence and Military Veterans**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2013**

**National Treasury**

**Republic of South Africa**

27 February 2013



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The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za).



# **Defence and Military Veterans**

**National Treasury  
Republic of South Africa**



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# Vote 22

## Defence and Military Veterans

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	4 434.6	4 020.4	385.6	28.6	4 778.4	5 096.3
Force Employment	3 283.9	2 896.8	170.5	216.6	3 423.2	3 647.5
Landward Defence	13 853.8	10 440.6	3 209.8	203.4	13 992.8	15 145.6
Air Defence	6 250.2	4 654.1	1 581.6	14.5	7 210.3	7 483.7
Maritime Defence	3 171.1	2 756.3	394.8	20.0	3 651.5	3 719.3
Military Health Support	3 642.5	3 589.9	26.0	26.6	3 791.3	3 904.5
Defence Intelligence	762.4	313.2	445.6	3.5	789.9	825.8
General Support	4 844.8	3 536.7	1 141.1	167.1	5 058.1	5 298.8
<b>Total expenditure estimates</b>	<b>40 243.3</b>	<b>32 207.9</b>	<b>7 355.0</b>	<b>680.5</b>	<b>42 695.5</b>	<b>45 121.5</b>

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website address [www.dod.mil.za](http://www.dod.mil.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits.*

### Mandate

The Department of Defence derives its mandate from the Defence Act (2002), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence and the 1998 Defence Review. The department is required to provide, manage and employ defence capabilities that are commensurate with the needs of South Africa.

### Strategic goals

The department's strategic goals are to:

- deliver on ordered defence commitments in accordance with government policy and strategy
- prepare mission ready defence capabilities
- achieve greater civil control of the national defence function to ensure compliance with regulatory frameworks

### Programme purposes

#### Programme 1: Administration

**Purpose:** Develop policy, and manage and administer the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

## Programme 2: Force Employment

**Purpose:** Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental and multinational military exercises.

## Programme 3: Landward Defence

**Purpose:** Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

## Programme 4: Air Defence

**Purpose:** Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

## Programme 5: Maritime Defence

**Purpose:** Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

## Programme 6: Military Health Support

**Purpose:** Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

## Programme 7: Defence Intelligence

**Purpose:** Provide defence intelligence and counter intelligence capability.

## Programme 8: General Support

## Selected performance indicators

Table 22.1 Defence

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	37	37	39	40	40	40	40
Number of military skills development members in the system per year	Landward Defence	Outcome 5: A skilled and capable workforce to support an inclusive growth path	8 874	8 662	11 213	6 801	4 208	4 420	4 807
Number of active reserves utilised per year	Landward Defence	Outcome 3: All people in South Africa are and feel safe	13 352	12 362	15 316	12 900	24 243	23 491	22 882
Percentage compliance with the South African Development Community standby force agreement and South African Pledge <sup>1,2</sup>	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	- <sup>1</sup>	- <sup>1</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>
Percentage compliance with number of ordered commitments (external operations) <sup>3</sup>	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	- <sup>3</sup>	100% (4)	100% (3)	100% (4)	100% (6) <sup>3</sup>	100% (6)	100% (6)
Number of internal operations per year <sup>4</sup>	Force Employment	Outcome 3: All people in South Africa are and feel safe	5	5	4	5	4	4	4
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8	8	6	8	9	8	8
Number of landward sub-units deployed on border safeguarding per year <sup>5</sup>	Force Employment	Outcome 3: All people in South Africa are and feel safe	- <sup>5</sup>	- <sup>5</sup>	7	11	13	14	19
Number of force employment hours flown per year	Air Defence		112 754	8 279	11 256	10 500	6 500	6 500	6 500
Number of hours at sea per year <sup>6</sup>	Maritime Defence		12 945	8 286	14 088	35 000	22 000	22 000	22 000

1. This indicator was introduced in 2011/12.

2. 100 per cent means full compliance subject to and commensurate with resources allocation.

3. This indicator was introduced in 2010/11. Previously read as "Number of external operations". External operations include peace support operations and general military assistance operations.

4. Internal operations include border safeguarding and operations in support of other government departments.

5. This indicator was introduced in 2011/12.

6. The number of hours at sea per year includes force preparation and force employment both in the South African maritime zones as well as in international waters.

## Expenditure estimates

Table 22.2 Defence And Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	2 914.1	3 452.9	3 747.1	3 820.7	3 820.7	9.4%	10.4%	4 434.6	4 778.4	5 096.3	10.1%	10.9%
Force Employment	1 886.5	2 265.5	2 358.5	2 748.2	2 748.2	13.4%	6.9%	3 283.9	3 423.2	3 647.5	9.9%	7.9%
Landward Defence	9 042.2	9 295.6	10 962.2	12 313.7	12 313.7	10.8%	31.1%	13 853.8	13 992.8	15 145.6	7.1%	33.3%
Air Defence	8 643.8	5 489.1	6 527.7	7 118.7	7 118.7	-6.3%	20.7%	6 250.2	7 210.3	7 483.7	1.7%	16.9%
Maritime Defence	1 997.5	2 349.9	2 574.7	2 862.3	2 862.3	12.7%	7.3%	3 171.1	3 651.5	3 719.3	9.1%	8.1%
Military Health Support	2 608.1	3 150.1	3 400.1	3 496.5	3 496.5	10.3%	9.4%	3 642.5	3 791.3	3 904.5	3.7%	8.9%
Defence Intelligence	594.7	633.9	653.1	712.1	712.1	6.2%	1.9%	762.4	789.9	825.8	5.1%	1.9%
General Support	3 637.3	3 805.4	4 107.9	4 816.4	4 816.4	9.8%	12.2%	4 844.8	5 058.1	5 298.8	3.2%	12.1%
<b>Total</b>	<b>31 324.2</b>	<b>30 442.4</b>	<b>34 331.4</b>	<b>37 888.5</b>	<b>37 888.5</b>	<b>6.5%</b>	<b>100.0%</b>	<b>40 243.3</b>	<b>42 695.5</b>	<b>45 121.5</b>	<b>6.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				395.6	395.6			298.7	363.9	842.9		
<b>Economic classification</b>												
<b>Current payments</b>	<b>20 774.9</b>	<b>25 547.0</b>	<b>27 237.4</b>	<b>31 031.2</b>	<b>31 031.2</b>	<b>14.3%</b>	<b>78.1%</b>	<b>32 207.9</b>	<b>33 217.2</b>	<b>35 008.8</b>	<b>4.1%</b>	<b>79.2%</b>
Compensation of employees	12 705.6	16 597.1	17 569.0	19 346.1	19 346.1	15.0%	49.4%	20 863.8	21 763.3	23 225.3	6.3%	51.3%
Goods and services	8 069.3	8 949.9	9 668.5	11 685.1	11 685.1	13.1%	28.6%	11 344.0	11 453.9	11 783.5	0.3%	27.9%
of which:												
Administration fees	9.7	10.3	6.2	9.9	9.9	0.7%	0.0%	6.9	6.9	7.0	-10.8%	0.0%
Advertising	8.2	5.6	6.9	8.3	8.3	0.7%	0.0%	7.9	8.4	8.7	1.3%	0.0%
Assets less than the capitalisation threshold	125.8	108.6	130.9	199.7	199.7	16.7%	0.4%	243.2	256.6	263.7	9.7%	0.6%
Audit cost: External	46.4	50.0	56.4	61.1	61.1	9.6%	0.2%	62.1	66.5	69.8	4.6%	0.2%
Catering: Departmental activities	39.2	38.0	-	40.9	40.9	1.4%	0.1%	19.4	19.7	20.2	-21.0%	0.1%
Communication	107.9	88.7	94.1	117.1	117.1	2.8%	0.3%	118.0	121.3	126.1	2.5%	0.3%
Computer services	841.4	856.4	861.2	1 036.1	1 036.1	7.2%	2.7%	888.8	976.4	914.1	-4.1%	2.3%
Consultants and professional services: Business and advisory services	311.6	288.1	219.7	168.5	168.5	-18.5%	0.7%	132.7	131.4	137.7	-6.5%	0.3%
Consultants and professional services: Infrastructure and planning	10.6	2.2	6.8	24.6	24.6	32.6%	0.0%	46.1	49.6	51.4	27.8%	0.1%
Consultants and professional services: Laboratory services	11.7	20.4	21.7	10.7	10.7	-3.0%	0.0%	12.3	14.5	15.5	13.4%	0.0%
Consultants and professional services: Legal costs	0.6	1.6	1.0	8.8	8.8	140.5%	0.0%	9.3	9.8	10.2	5.0%	0.0%
Contractors	2 834.3	3 322.2	3 619.5	4 380.1	4 380.1	15.6%	10.6%	2 230.3	2 211.6	2 459.8	-17.5%	6.8%
Agency and support / outsourced services	349.1	364.8	388.1	426.6	426.6	6.9%	1.1%	617.8	577.0	588.4	11.3%	1.3%
Entertainment	6.9	9.2	10.6	9.8	9.8	12.6%	0.0%	12.0	13.0	13.6	11.5%	0.0%
Fleet services (including government motor transport)	0.1	-	-	-	-	-100.0%	0.0%	39.8	43.1	45.3		0.1%
Inventory: Food and food supplies	700.7	708.9	697.7	1 006.1	1 006.1	12.8%	2.3%	543.7	562.6	517.9	-19.9%	1.6%
Inventory: Fuel, oil and gas	309.4	405.7	461.8	652.4	652.4	28.2%	1.4%	649.6	586.1	597.2	-2.9%	1.5%
Inventory: Learner and teacher support material	0.0	(5.5)	-	-	-	-100.0%	0.0%	-	0.4	-		0.0%
Inventory: Materials and supplies	123.5	127.8	162.5	210.8	210.8	19.5%	0.5%	156.9	153.2	175.7	-5.9%	0.4%
Inventory: Medical supplies	217.8	99.4	78.5	253.0	253.0	5.1%	0.5%	84.2	94.2	77.5	-32.6%	0.3%
Inventory: Medicine	-	152.8	159.2	95.6	95.6	0.3%	0.3%	197.9	198.7	185.9	24.8%	0.4%
Medsas inventory interface	-	-	-	-	-	-	-	-	-	7.6		0.0%
Inventory: Military stores	30.7	63.3	110.1	128.5	128.5	61.2%	0.2%	219.9	173.1	234.8	22.3%	0.5%
Inventory: Other consumables	135.5	166.7	182.1	174.1	174.1	8.7%	0.5%	170.6	179.5	196.8	4.2%	0.4%
Inventory: Stationery and printing	74.2	68.8	77.3	85.9	85.9	5.0%	0.2%	103.8	107.9	112.5	9.4%	0.2%
Operating leases	222.2	259.1	248.8	343.3	343.3	15.6%	0.8%	329.3	346.6	363.1	1.9%	0.8%
Property payments	485.5	580.9	761.6	758.3	758.3	16.0%	1.9%	2 960.1	3 028.7	3 161.8	61.0%	6.0%
Travel and subsistence	703.0	728.5	733.2	557.8	557.8	-7.4%	2.0%	642.6	649.4	629.1	4.1%	1.5%
Training and development	110.7	119.0	127.5	221.0	221.0	25.9%	0.4%	194.2	204.7	214.1	-1.1%	0.5%
Operating payments	237.8	298.3	425.6	679.3	679.3	41.9%	1.2%	644.7	663.0	577.7	-5.3%	1.5%
Venues and facilities	14.9	10.0	19.5	16.7	16.7	3.9%	0.0%	0.0	0.0	0.0	-93.8%	0.0%
<b>Transfers and subsidies</b>	<b>9 363.4</b>	<b>3 888.0</b>	<b>5 877.8</b>	<b>6 078.9</b>	<b>6 078.9</b>	<b>-13.4%</b>	<b>18.8%</b>	<b>7 355.0</b>	<b>8 724.0</b>	<b>9 661.9</b>	<b>16.7%</b>	<b>19.2%</b>
Departmental agencies and accounts	8 629.1	3 024.7	4 877.9	4 966.1	4 966.1	-16.8%	16.0%	6 192.6	7 490.5	8 358.4	19.0%	16.3%
Public corporations and private enterprises	603.6	737.5	890.7	974.9	974.9	17.3%	2.4%	1 021.3	1 091.4	1 162.5	6.0%	2.6%
Non-profit institutions	4.3	5.2	6.3	6.2	6.2	12.7%	0.0%	6.9	7.3	7.6	7.1%	0.0%
Households	126.4	120.6	102.8	131.6	131.6	1.4%	0.4%	134.3	134.8	133.3	0.4%	0.3%
<b>Payments for capital assets</b>	<b>1 136.3</b>	<b>840.4</b>	<b>977.5</b>	<b>630.3</b>	<b>630.3</b>	<b>-17.8%</b>	<b>2.7%</b>	<b>680.5</b>	<b>754.2</b>	<b>450.9</b>	<b>-10.6%</b>	<b>1.5%</b>
Buildings and other fixed structures	599.1	251.2	279.7	111.1	111.1	-43.0%	0.9%	115.6	117.3	122.2	3.2%	0.3%
Machinery and equipment	537.1	581.4	697.1	468.6	468.6	-4.4%	1.7%	510.9	587.7	267.4	-17.1%	1.1%
Specialised military assets	-	7.6	-	49.5	49.5		0.0%	40.5	45.3	60.5	6.9%	0.1%
Biological assets	0.0	0.1	0.6	-	-	-100.0%	0.0%	0.2	0.2	0.2		0.0%
Software and other intangible assets	0.1	0.1	0.1	1.0	1.0	95.7%	0.0%	13.4	3.8	0.6	-17.2%	0.0%
<b>Payments for financial assets</b>	<b>49.6</b>	<b>167.0</b>	<b>238.7</b>	<b>148.1</b>	<b>148.1</b>	<b>44.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
<b>Total</b>	<b>31 324.2</b>	<b>30 442.4</b>	<b>34 331.4</b>	<b>37 888.5</b>	<b>37 888.5</b>	<b>6.5%</b>	<b>100.0%</b>	<b>40 243.3</b>	<b>42 695.5</b>	<b>45 121.5</b>	<b>6.0%</b>	<b>100.0%</b>

## Personnel information

**Table 22.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			2012/13 - 2015/16
<b>Defence And Military Veterans</b>																			
Salary level	80 380	-	79 384	17 556.7	0.2	80 380	19 346.1	0.2	78 010	20 863.8	0.3	76 724	21 763.3	0.3	73 724	23 225.3	0.3	-2.8%	100.0%
1 - 6	56 247	-	55 775	9 595.2	0.2	56 244	10 590.2	0.2	53 798	11 251.7	0.2	52 803	11 763.8	0.2	51 889	12 676.9	0.2	-2.7%	69.5%
7 - 10	22 628	-	22 249	7 054.7	0.3	22 623	7 686.4	0.3	22 639	8 384.6	0.4	22 346	8 716.3	0.4	20 297	9 147.1	0.5	-3.6%	28.5%
11 - 12	1 206	-	1 050	629.0	0.6	1 209	777.3	0.6	1 268	904.1	0.7	1 275	952.2	0.7	1 258	1 048.3	0.8	1.3%	1.6%
13 - 16	299	-	310	277.9	0.9	304	292.2	1.0	305	323.4	1.1	300	331.0	1.1	280	353.0	1.3	-2.7%	0.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the MTEF period will be on border safeguarding and anti-piracy measures, which accounts for the increased expenditure of the *Landward Defence*, *Maritime Defence* and *Force Employment* programmes.

The significant increase in expenditure on compensation of employees between 2009/10 and 2012/13 is mainly due to the implementation of the military salary dispensation for regular and reserve force members, and the additional personnel required to strengthen border safeguarding. The department also received additional allocations over this period for border safeguarding, deployment in foreign countries and the maritime security strategy for the fight against piracy in the Indian Ocean. The noticeable increase in departmental personnel from 79 384 in 2011/12 to 80 380 in 2012/13 is attributed to the increased enlistment of military skills development system graduates into the South African National Defence Force. As a result, the related expenditure on goods and services items, such as inventory of food, fuel and other consumables, increased over the same period.

The significant decrease in transfer payments between 2009/10 and 2012/13 was due to the strategic defence procurement programme reaching its finalisation stage, while the decrease in the payment of capital assets was due to the completion of the new runway at the Air Force Base Waterkloof in 2012/13. The finalisation of the defence procurement programme is also responsible for the decrease in expenditure in the *Air Defence* programme over the same period. The increase in spending in the *Maritime Defence* programme between 2009/10 and 2012/13 was due the appointment of personnel with scarce skills such as divers, technicians and engineers.

The increase in expenditure in the *Administration* programme projected over the medium term is mainly related to increases in spending on office accommodation, allocations to military veterans' benefits and the establishment of operational law structures. Over the same period, expenditure in the *Force Employment* programme is expected to increase due to the allocation of an additional R715 million for border safeguarding and deployment in foreign countries, while the increase expected in expenditure in the *Maritime Defence* programme over the same period is due to the implementation of the maritime security strategy.

As part of Cabinet approved budget reductions of R485 million, reductions in expenditure on contractors will be effected across five programmes: *Force Employment*, *Landward Defence*, *Air Defence*, *Military Health Support* and *General Support*. Funds have also been reprioritised from contractors in the same programmes towards the financing of peacekeeping commitments in the Central African Republic, on which R200 million will be spent in 2013/14, and R215 million in 2014/15. The reduced spending on contractors is absorbed by the department using its own capacity to implement repair and maintenance projects rather than using contractors through the Department of Public Works.

The department has a funded establishment of 80 380 posts. The ratio of support staff to line function staff is 1:8. Personnel numbers are projected to decrease to 73 724 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

R334.5 million was spent on consultants in 2009/10. This decreased to R212.7 million in 2012/13 and remains relatively constant over the medium term, with R214.9 million allocated for spending on consultants in 2015/16. Consultants and professional services are used mostly to provide operational research services and development, laboratory services, and advice with regard to information based warfare, business processes and performance information.

### Infrastructure spending

Spending on infrastructure increased from R862 million in 2009/10 to R1.2 billion in 2012/13, and is expected to decrease to R980.2 million over the medium term based on the milestones of the refurbishment projects and the ability of the Department of Public Works to contract work. The spending is directed mainly towards refurbishing military bases, depots, units and hospitals, as well as constructing infrastructure. Over the MTEF period, the department aims to refurbish 66 military bases, units and office complexes. 24 of these refurbishment projects will be completed over the MTEF period, while 42 will continue beyond this timeframe. Over the medium term, R355 million has been allocated for infrastructure. The department also continues with 29 refurbishment projects, for which R2.5 million has been allocated over the medium term. R26 million has also been allocated to demolish unserviceable infrastructure.

**Mega projects:** Rebuilding the runway at Air Force Base Waterkloof was the department's only mega project. The project was completed in 2012/13 at an estimated cost of R1.1 billion.

**Small projects:** The department continued with 28 refurbishment projects, including 2 Military Hospital in Cape Town, 4 SA Infantry Battalion in Middelburg, 6 SA Infantry Battalion in Grahamstown, 7 SA Infantry Battalion in Phalaborwa, 8 SA Infantry Battalion in Upington, 10 SA Infantry Battalion in Mafikeng, 21 SA Infantry Battalion in Doornkop, Air Defence Artillery School in Kimberley, the SA Army Combat Centre in Lohatla, the SA Navy Training Unit in Saldanha and the School of Engineers in Kroonstad. Over the medium term, the programme is extended to include 57 small projects, including the flood damage at Air Force Base Hoedspruit. The department also funds 46 capital works building projects, which include the upgrade and construction of health and training facilities, security infrastructure, and living and office accommodation. Also included are improvements to accommodate disabled members.

## Departmental receipts

Table 22.4 Receipts

R thousand	Audited outcome			Adjusted estimate 2012/13	Revised estimate	Average growth rate (%) 2009/10 - 2012/13	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%) 2012/13 - 2015/16	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
<b>Departmental receipts</b>	<b>699 949</b>	<b>689 688</b>	<b>4 269 010</b>	<b>929 435</b>	<b>929 435</b>	<b>9.9%</b>	<b>100.0%</b>	<b>798 930</b>	<b>814 908</b>	<b>818 166</b>	<b>-4.2%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>194 411</b>	<b>255 338</b>	<b>286 128</b>	<b>293 863</b>	<b>293 863</b>	<b>14.8%</b>	<b>15.6%</b>	<b>294 153</b>	<b>300 035</b>	<b>272 246</b>	<b>-2.5%</b>	<b>34.5%</b>
Administration fees	53	13	21	10	10	-42.6%	-	-	-	-	-100.0%	-
of which:												
Administrative fees	53	13	21	10	10	-42.6%	-	-	-	-	-100.0%	-
Other sales	194 358	255 325	286 107	293 853	293 853	14.8%	15.6%	294 153	300 035	272 246	-2.5%	34.5%
of which:												
Services rendered	144 385	185 077	213 412	293 853	293 853	26.7%	12.7%	244 062	248 943	264 129	-3.5%	31.3%
Sale of goods	2 117	5 739	3 943	-	-	-100.0%	0.2%	2 769	2 824	2 996	-	0.3%
Rental of capital assets	47 856	64 509	68 752	-	-	-100.0%	2.7%	47 322	48 268	5 121	-	3.0%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>15 196</b>	<b>8 651</b>	<b>6 101</b>	<b>7 925</b>	<b>7 925</b>	<b>-19.5%</b>	<b>0.6%</b>	<b>18 653</b>	<b>19 026</b>	<b>20 186</b>	<b>36.6%</b>	<b>2.0%</b>
of which:												
Scrap	14 827	6 613	2 599	7 925	7 925	-18.8%	0.5%	18 603	18 975	20 132	36.4%	2.0%
Military equipment	369	2 038	3 502	-	-	-100.0%	0.1%	50	51	54	-	-
<b>Transfers received</b>	<b>228 291</b>	<b>250 767</b>	<b>360 206</b>	<b>280 254</b>	<b>280 254</b>	<b>7.1%</b>	<b>17.0%</b>	<b>171 086</b>	<b>174 508</b>	<b>185 153</b>	<b>-12.9%</b>	<b>24.1%</b>
Fines, penalties and forfeits	3 724	4 459	875	13 039	13 039	51.8%	0.3%	3 776	3 851	4 086	-32.1%	0.7%
Interest, dividends and rent on land	2 750	2 628	162 779	36 870	36 870	137.6%	3.1%	2 583	2 635	2 796	-57.7%	1.3%
Interest	2 750	2 628	162 779	36 870	36 870	137.6%	3.1%	2 583	2 635	2 796	-57.7%	1.3%
Sales of capital assets	19 481	23 068	78 919	79 503	79 503	59.8%	3.1%	55 025	56 125	59 549	-9.2%	7.4%
Transactions in financial assets and liabilities	236 096	144 777	3 374 002	217 981	217 981	-2.6%	60.3%	253 654	258 728	274 150	7.9%	29.9%
<b>Total</b>	<b>699 949</b>	<b>689 688</b>	<b>4 269 010</b>	<b>929 435</b>	<b>929 435</b>	<b>9.9%</b>	<b>100.0%</b>	<b>798 930</b>	<b>814 908</b>	<b>818 166</b>	<b>-4.2%</b>	<b>100.0%</b>

# Programme 1: Administration

## Expenditure estimates

**Table 22.5 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16
R thousand											
Ministry	50 152	97 338	124 228	78 502	16.1%	2.5%	64 149	66 012	68 885	-4.3%	1.5%
Departmental Direction	20 794	27 181	40 067	57 677	40.5%	1.0%	56 476	57 992	61 062	1.9%	1.3%
Policy and Planning	65 021	67 698	75 690	98 942	15.0%	2.2%	96 948	99 996	115 062	5.2%	2.3%
Financial Services	218 347	240 803	264 259	285 549	9.4%	7.2%	306 870	314 520	325 708	4.5%	6.8%
Human Resources Support Services	541 450	609 694	586 971	623 345	4.8%	16.9%	659 117	672 258	700 132	3.9%	14.6%
Legal Services	122 513	159 016	168 647	201 087	18.0%	4.7%	247 769	264 683	280 194	11.7%	5.5%
Inspection Services	55 530	62 033	68 526	78 836	12.4%	1.9%	82 087	83 889	86 865	3.3%	1.8%
Acquisition Services	40 652	52 635	47 904	45 528	3.8%	1.3%	48 677	49 511	51 712	4.3%	1.1%
Communication Services	29 151	29 110	29 927	30 082	1.1%	0.8%	30 391	31 823	33 441	3.6%	0.7%
South African National Defence Force Command and Control	83 604	96 405	107 779	151 584	21.9%	3.2%	135 835	140 124	144 982	-1.5%	3.2%
Religious Services	7 920	8 710	9 671	11 748	14.0%	0.3%	11 555	11 988	12 763	2.8%	0.3%
Defence Reserve Direction	17 032	19 778	22 817	21 506	8.1%	0.6%	23 197	23 911	24 850	4.9%	0.5%
Defence Foreign Relations	117 582	140 293	159 745	199 464	19.3%	4.4%	204 731	214 281	223 941	3.9%	4.6%
Office Accommodation	1 544 341	1 842 226	2 020 900	1 885 401	6.9%	52.3%	2 115 369	2 243 221	2 359 865	7.8%	47.5%
Military Veterans Management	-	-	19 989	51 403	-	0.5%	351 431	504 160	606 841	127.7%	8.3%
<b>Total</b>	<b>2 914 089</b>	<b>3 452 920</b>	<b>3 747 120</b>	<b>3 820 654</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 434 602</b>	<b>4 778 369</b>	<b>5 096 303</b>	<b>10.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				89 878			393 943	515 713	637 565		

**Economic classification**

	2 830 770	3 371 634	3 652 874	3 708 264	9.4%	97.3%	4 020 371	4 213 487	4 431 148	6.1%	90.3%
<b>Current payments</b>											
Compensation of employees	952 349	1 134 350	1 178 955	1 320 377	11.5%	32.9%	1 425 553	1 495 690	1 560 976	5.7%	32.0%
Goods and services	1 878 421	2 237 284	2 473 919	2 387 887	8.3%	64.4%	2 594 818	2 717 797	2 870 172	6.3%	58.3%
<i>of which:</i>											
Administration fees	7 698	8 550	4 434	5 636	-9.9%	0.2%	4 634	4 634	4 634	-6.3%	0.1%
Advertising	5 217	3 859	4 612	5 059	-1.0%	0.1%	4 490	4 551	4 734	-2.2%	0.1%
Assets less than the capitalisation threshold	5 660	5 957	5 316	13 437	33.4%	0.2%	10 247	8 692	9 525	-10.8%	0.2%
Audit cost: External	-	-	-	3 000	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	7 323	7 336	-	7 912	2.6%	0.2%	3 641	3 632	3 791	-21.7%	0.1%
Communication	9 887	10 385	9 644	12 539	8.2%	0.3%	15 835	14 806	15 440	7.2%	0.3%
Computer services	69 448	62 168	90 083	94 502	10.8%	2.3%	109 204	108 294	113 975	6.4%	2.3%
Consultants and professional services: Business and advisory services	18 095	29 410	25 020	21 054	5.2%	0.7%	15 692	15 820	16 287	-8.2%	0.4%
Consultants and professional services: Infrastructure and planning	6 107	-	-	2 623	-24.6%	0.1%	-	-	-	-100.0%	-
Contractors	960 278	1 137 175	1 132 829	979 492	0.7%	30.2%	28 566	22 349	32 801	-67.8%	5.9%
Agency and support / outsourced services	5 466	5 802	12 127	8 552	16.1%	0.2%	19 727	20 202	20 929	34.8%	0.4%
Entertainment	2 658	3 561	4 350	4 017	14.8%	0.1%	5 396	5 500	5 627	11.9%	0.1%
Fleet services (including government motor transport)	119	-	-	-	-100.0%	-	43	44	48	-	-
Inventory: Food and food supplies	12 906	9 987	8 921	8 727	-12.2%	0.3%	13 195	12 786	12 496	12.7%	0.3%
Inventory: Fuel, oil and gas	7 553	7 023	9 342	9 427	7.7%	0.2%	11 699	11 007	11 274	6.1%	0.2%
Inventory: Learner and teacher support material	9	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	(1 947)	1 293	1 465	1 971	-200.4%	-	1 975	1 860	1 966	-0.1%	-
Inventory: Medical supplies	4	2	3	-	-100.0%	-	44	45	46	-	-
Inventory: Medicine	-	1	-	-	-	-	-	-	-	-	-
Inventory: Military stores	3	-	1	-	-100.0%	-	-	1	1	-	-
Inventory: Other consumables	4 814	3 997	7 258	11 465	33.5%	0.2%	9 655	9 718	10 065	-4.2%	0.2%
Inventory: Stationery and printing	10 537	10 840	11 550	12 817	6.7%	0.3%	14 364	13 175	13 610	2.0%	0.3%
Operating leases	183 220	223 182	213 132	287 284	16.2%	6.5%	278 135	293 454	311 156	2.7%	6.5%
Property payments	457 088	551 244	731 552	724 737	16.6%	17.7%	1 895 451	2 015 929	2 115 212	42.9%	37.2%
Travel and subsistence	76 494	106 805	110 469	109 041	12.5%	2.9%	101 010	100 526	111 969	0.9%	2.3%
Training and development	11 649	13 368	13 902	20 500	20.7%	0.4%	26 050	25 818	28 018	11.0%	0.6%
Operating payments	13 642	32 861	71 678	40 781	44.1%	1.1%	25 741	24 929	26 543	-13.3%	0.7%
Venues and facilities	4 493	2 478	6 231	3 314	-9.6%	0.1%	-	-	-	-100.0%	-
Rental and hiring	-	-	-	-	-	-	24	25	25	-	-

Table 22.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Transfers and subsidies</b>	<b>36 850</b>	<b>33 171</b>	<b>32 843</b>	<b>93 242</b>	<b>36.3%</b>	<b>1.4%</b>	<b>385 594</b>	<b>536 483</b>	<b>639 930</b>	<b>90.0%</b>	<b>9.1%</b>
Departmental agencies and accounts	9 938	14 408	15 283	69 759	91.5%	0.8%	368 335	521 402	624 428	107.6%	8.7%
Non-profit institutions	4 002	4 827	5 917	6 213	15.8%	0.2%	6 523	6 850	7 192	5.0%	0.1%
Households	22 910	13 936	11 643	17 270	-9.0%	0.5%	10 736	8 231	8 310	-21.6%	0.2%
<b>Payments for capital assets</b>	<b>35 883</b>	<b>29 152</b>	<b>34 017</b>	<b>19 148</b>	<b>-18.9%</b>	<b>0.8%</b>	<b>28 637</b>	<b>28 399</b>	<b>25 225</b>	<b>9.6%</b>	<b>0.6%</b>
Buildings and other fixed structures	–	30	21	–	–	–	–	–	–	–	–
Machinery and equipment	35 862	29 072	33 996	19 133	-18.9%	0.8%	28 622	28 383	25 207	9.6%	0.6%
Specialised military assets	–	30	–	–	–	–	–	–	–	–	–
Software and other intangible assets	21	20	–	15	-10.6%	–	15	16	18	6.3%	–
<b>Payments for financial assets</b>	<b>10 586</b>	<b>18 963</b>	<b>27 386</b>	<b>–</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 914 089</b>	<b>3 452 920</b>	<b>3 747 120</b>	<b>3 820 654</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 434 602</b>	<b>4 778 369</b>	<b>5 096 303</b>	<b>10.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.3%</b>	<b>11.3%</b>	<b>10.9%</b>	<b>10.1%</b>			<b>11.0%</b>	<b>11.2%</b>	<b>11.3%</b>		

## Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9 938	14 408	15 283	69 759	91.5%	0.8%	368 335	521 402	624 428	107.6%	8.7%
Safety and security sector education and training authority	9 938	14 408	15 283	18 356	22.7%	0.4%	16 904	17 242	17 587	-1.4%	0.4%
Military Veterans Management	–	–	–	51 403	–	0.4%	351 431	504 160	606 841	127.7%	8.3%
Households											
Social benefits											
Current	22 910	13 936	11 643	17 270	-9.0%	0.5%	10 736	8 231	8 310	-21.6%	0.2%
Employee social benefits	22 910	13 936	11 643	17 270	-9.0%	0.5%	10 736	8 231	8 310	-21.6%	0.2%
Non-profit institutions											
Current	4 002	4 827	5 917	6 213	15.8%	0.2%	6 523	6 850	7 192	5.0%	0.1%
Reserve Force Council	4 002	4 827	5 917	6 213	15.8%	0.2%	6 523	6 850	7 192	5.0%	0.1%

## Personnel information

Table 22.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Administration	Salary level	Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
			3 693	1 169.8	0.3	3 838	1 320.4	0.3	4 078	1 425.6	0.3	4 054	1 495.7	0.4	3 894	1 561.0	0.4	0.5%	100.0%
	1-6	1 626	1 552	269.3	0.2	1 623	300.9	0.2	1 709	322.5	0.2	1 712	340.2	0.2	1 656	360.4	0.2	0.7%	42.2%
	7-10	1 604	1 576	507.9	0.3	1 599	551.3	0.3	1 693	599.2	0.4	1 666	622.2	0.4	1 585	643.5	0.4	-0.3%	41.2%
	11-12	478	425	262.4	0.6	481	328.3	0.7	540	365.6	0.7	545	392.8	0.7	534	413.7	0.8	3.5%	13.2%
	13-16	130	140	130.2	0.9	135	139.8	1.0	136	138.2	1.0	131	140.5	1.1	119	143.4	1.2	-4.1%	3.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will mainly be on maintaining the administrative capabilities and services of the department, providing comprehensive defence and military policy and strategy, supporting the defence headquarters and providing office accommodation to the department. Almost half of the expenditure on this programme provides for office accommodation and the execution of the department's human resource and financial management functions, while large amounts are also provided to the department of military veterans through the *Military Veterans Management* subprogramme. The rise in spending in this programme over the medium term is mainly due to a R1.3 billion increase in the budget of the Department of Military Veterans to pay benefits to military veterans.

The decrease in expenditure in the *Ministry* subprogramme between 2012/13 and 2015/16 is due to the military

ombud being moved to the *Legal Services* subprogramme, and the completion of a multimedia campaign in 2012/13. The projected increase of 23.2 per cent in expenditure in the *Legal Services* subprogramme in 2013/14 is due to the creation of an operational law structure to provide legal assistance during peace missions, the establishment of the Office of the Military Ombud and the implementation of the occupational specific dispensation for legal practitioners.

Consultants and professional services are used mostly for forensic audits and operational research services, areas in which the department does not have this capacity. Expenditure on consultants decreases from R24.2 million in 2009/10 to R16.3 million in 2015/16 due to the final payment to a transaction adviser, who investigated the possible co-location of all departmental training institutions.

The programme has a funded establishment of 3 838 posts. Personnel numbers are projected to increase to 3 894 in 2015/16 to provide for the creation of an operational law structure to provide legal assistance during peace missions, and the establishment of the Office of the Military Ombud.

## Programme 2: Force Employment

### Objectives

- Ensure successful joint force employment over the medium term by:
  - providing and employing 1 special operations capability in accordance with national requirements
  - ensuring full participation in the number of peace missions as instructed by the president
  - conducting 25 joint, interdepartmental and multinational military force preparation exercises from 2012/13 to 2014/15, excluding special forces exercises
  - conducting 4 operations per year protecting the territorial integrity and sovereignty of South Africa, supporting other government departments and complying with international obligations on an ongoing basis.

### Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces. Funding is based on the cost of operating a joint operations division headquarters. The joint operations division focuses on enhancing and maintaining comprehensive defence capabilities; promoting peace, stability and security in the region and continent; and supporting the people of South Africa in terms of the country's policies and international obligations for the promotion of peace, stability and security. This subprogramme had a staff complement of 162 in 2012/13.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters. Funding is distributed according to the cost of running an operational headquarters and 9 tactical headquarters. This subprogramme had a staff complement of 539 in 2012/13.
- *Special Operations* provides and employs a special operations capability within the approved special forces mandate for the South African National Defence Force. Funding is distributed according to the number and size of units, systems, and equipment for operations, and maintenance requirements; and the number of special forces operations, force preparation exercises and training courses.
- *Regional Security* provides for the deployment of forces in support of South Africa's commitment to regional, continental and global security. Funding is distributed according to the number, size and duration of deployments, and the systems and equipment required for operations and maintenance. The South African National Defence Force participates in the United Nations (UN) peace support operation in the Democratic Republic of the Congo and the United Nations/African Union hybrid peace support operation in Sudan, provides training to the armed forces of the Central African Republic, and executes an operation in support of the Mozambican defence force counter piracy operations in the Mozambique Channel. The personnel involved are mostly provided by the 4 arms of the South African National Defence Force: army, navy, air force and military health support.
- *Support to the People* is discussed in more detail below.

- *Defence Capability Management* provides for the planning and control of joint, interdepartmental and multinational military force preparation exercises; development of the joint force employment command and control plan; and capability development management. Funding is distributed according to need for exercise control equipment used in joint, interdepartmental and multinational military exercises, for contractual obligations in connection with the development of the joint force employment command and control plan, and for capability development. In 2012/13, 8 exercises were planned, of which 5 took place and the remaining 3 were cancelled. There is no staff complement in this subprogramme.

## Expenditure estimates

**Table 22.7 Force Employment**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Strategic Direction	69 592	78 410	92 547	110 353	16.6%	3.8%	109 872	109 853	117 297	2.1%	3.4%
Operational Direction	169 680	228 076	236 475	236 266	11.7%	9.4%	269 824	263 114	274 337	5.1%	8.0%
Special Operations	417 219	480 340	576 059	605 071	13.2%	22.5%	623 895	641 812	655 128	2.7%	19.3%
Regional Security	1 091 256	959 599	1 033 769	1 175 131	2.5%	46.0%	1 401 314	1 485 438	1 472 272	7.8%	42.2%
Support to the People	94 902	502 392	399 172	599 028	84.8%	17.2%	848 850	894 422	1 099 325	22.4%	26.3%
Defence Capability Management	43 891	16 640	20 493	22 346	-20.2%	1.1%	30 120	28 546	29 097	9.2%	0.8%
<b>Total</b>	<b>1 886 540</b>	<b>2 265 457</b>	<b>2 358 515</b>	<b>2 748 195</b>	<b>13.4%</b>	<b>100.0%</b>	<b>3 283 875</b>	<b>3 423 185</b>	<b>3 647 456</b>	<b>9.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				77 293			324 670	222 512	299 552		

### Economic classification

Current payments	1 662 256	2 011 508	2 037 231	2 503 963	14.6%	88.7%	2 896 770	3 012 372	3 363 921	10.3%	89.9%
Compensation of employees	881 324	1 184 605	1 184 008	1 372 927	15.9%	49.9%	1 562 548	1 596 603	1 912 832	11.7%	49.2%
Goods and services	780 932	826 903	853 223	1 131 036	13.1%	38.8%	1 334 222	1 415 769	1 451 089	8.7%	40.7%
of which:											
Administration fees	157	150	123	–	-100.0%	–	100	105	110	–	–
Advertising	1 082	147	194	328	-32.8%	–	305	329	365	3.6%	–
Assets less than the capitalisation threshold	15 854	17 656	27 087	19 248	6.7%	0.9%	39 827	15 719	17 863	-2.5%	0.7%
Catering: Departmental activities	3 671	6 002	–	4 959	10.5%	0.2%	4 198	4 308	4 519	-3.0%	0.1%
Communication	18 979	10 719	14 626	20 472	2.6%	0.7%	19 286	19 861	20 862	0.6%	0.6%
Computer services	3 095	3 206	6 134	3 089	-0.1%	0.2%	3 076	4 075	3 125	0.4%	0.1%
Consultants and professional services: Business and advisory services	4 244	2 179	2 522	–	-100.0%	0.1%	520	550	638	–	–
Consultants and professional services: Infrastructure and planning	–	–	–	300	–	–	770	813	858	41.9%	–
Consultants and professional services: Laboratory services	–	2	–	–	–	–	–	–	–	–	–
Contractors	123 220	170 614	151 929	309 693	36.0%	8.2%	499 140	577 480	720 421	32.5%	16.1%
Agency and support / outsourced services	7 692	8 457	9 764	5 913	-8.4%	0.3%	4 452	4 856	5 095	-4.8%	0.2%
Entertainment	986	1 211	1 418	419	-24.8%	–	189	199	209	-20.7%	–
Fleet services (including government motor transport)	–	–	–	–	–	–	34 100	35 792	37 519	–	0.8%
Inventory: Food and food supplies	67 236	81 037	81 230	111 060	18.2%	3.7%	78 873	82 933	87 412	-7.7%	2.7%
Inventory: Fuel, oil and gas	31 516	20 601	30 744	52 380	18.5%	1.5%	42 065	44 670	46 692	-3.8%	1.4%
Inventory: Materials and supplies	121 740	169 421	209 709	68 064	-17.6%	6.1%	28 605	30 231	31 685	-22.5%	1.2%
Inventory: Medical supplies	3 023	369	24	5 953	25.3%	0.1%	1 730	1 800	1 888	-31.8%	0.1%
Inventory: Medicine	–	3 025	16 849	–	–	0.2%	6 928	7 274	–	–	0.1%
Medsas inventory interface	–	–	–	–	–	–	–	–	7 638	–	0.1%
Inventory: Military stores	359	3 183	1 254	422	5.5%	0.1%	422	510	540	8.6%	–
Inventory: Other consumables	13 842	19 270	15 139	17 926	9.0%	0.7%	19 963	20 536	21 770	6.7%	0.6%
Inventory: Stationery and printing	7 989	7 681	6 703	7 983	–	0.3%	8 182	8 601	8 992	4.0%	0.3%
Operating leases	10 529	8 625	8 380	7 537	-10.5%	0.4%	2 505	2 439	2 607	-29.8%	0.1%
Property payments	593	777	643	1 216	27.0%	–	14 544	15 321	15 761	134.9%	0.4%
Travel and subsistence	233 046	171 504	179 673	124 428	-18.9%	7.7%	209 532	214 465	183 103	13.7%	5.6%
Training and development	3 424	3 439	3 140	6 234	22.1%	0.2%	8 636	9 064	9 621	15.6%	0.3%
Operating payments	108 216	117 171	85 077	362 260	49.6%	7.3%	306 274	313 838	221 796	-15.1%	9.2%
Venues and facilities	439	457	861	1 152	37.9%	–	–	–	–	-100.0%	–
<b>Transfers and subsidies</b>	<b>166 208</b>	<b>139 151</b>	<b>202 787</b>	<b>169 570</b>	<b>0.7%</b>	<b>7.3%</b>	<b>170 509</b>	<b>180 073</b>	<b>178 006</b>	<b>1.6%</b>	<b>5.3%</b>
Departmental agencies and accounts	156 811	129 354	186 867	150 582	-1.3%	6.7%	149 131	158 910	156 661	1.3%	4.7%
Public corporations and private enterprises	–	3 975	11 673	12 587	–	0.3%	13 250	13 215	13 397	2.1%	0.4%
Households	9 397	5 822	4 247	6 401	-12.0%	0.3%	8 128	7 948	7 948	7.5%	0.2%

Table 22.7 Force Employment (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R thousand	58 076	114 653	118 487	74 662	8.7%	4.0%	216 596	230 740	105 529	12.2%	4.8%	
<b>Payments for capital assets</b>												
Buildings and other fixed structures	1 475	5 565	3 157	1 797	6.8%	0.1%	800	815	886	-21.0%	-	
Machinery and equipment	56 601	105 576	115 330	69 667	7.2%	3.7%	214 465	228 859	103 500	14.1%	4.7%	
Specialised military assets	-	3 512	-	3 198	-	0.1%	1 331	1 066	1 143	-29.0%	0.1%	
<b>Payments for financial assets</b>												
	-	145	10	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1 886 540</b>	<b>2 265 457</b>	<b>2 358 515</b>	<b>2 748 195</b>	<b>13.4%</b>	<b>100.0%</b>	<b>3 283 875</b>	<b>3 423 185</b>	<b>3 647 456</b>	<b>9.9%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.0%</b>	<b>7.4%</b>	<b>6.9%</b>	<b>7.3%</b>			<b>8.2%</b>	<b>8.0%</b>	<b>8.1%</b>			
<b>Details of transfers and subsidies</b>												
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	156 811	129 354	186 867	150 582	-1.3%	6.7%	149 131	158 910	156 661	1.3%	4.7%	
Special defence account	156 811	129 354	186 867	150 582	-1.3%	6.7%	149 131	158 910	156 661	1.3%	4.7%	
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	9 397	5 822	4 247	6 401	-12.0%	0.3%	8 128	7 948	7 948	7.5%	0.2%	
Employee social benefits	9 397	5 822	4 247	6 401	-12.0%	0.3%	8 128	7 948	7 948	7.5%	0.2%	
<b>Public corporations and private enterprises</b>												
<b>Public corporations</b>												
<b>Other transfers to public corporations</b>												
<b>Current</b>	-	3 975	11 673	12 587	-	0.3%	13 250	13 215	13 397	2.1%	0.4%	
Armaments Corporation of South Africa	-	3 975	11 673	12 587	-	0.3%	13 250	13 215	13 397	2.1%	0.4%	

## Personnel information

Table 22.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13	2013/14	2014/15	2015/16	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16							
<b>Force Employment</b>																			
<b>Salary level</b>	2 497	-	2 411	1 180.9	0.5	2 497	1 372.9	0.5	2 545	1 562.5	0.6	2 502	1 596.6	0.6	2 340	1 912.8	0.8	-2.1%	100.0%
1 - 6	1 278	-	1 225	811.2	0.7	1 278	996.0	0.8	1 310	1 174.3	0.9	1 273	1 211.0	1.0	1 154	1 497.9	1.3	-3.3%	50.7%
7 - 10	1 100	-	1 082	327.6	0.3	1 100	326.4	0.3	1 116	338.8	0.3	1 110	336.0	0.3	1 067	359.5	0.3	-1.0%	44.4%
11 - 12	95	-	80	30.6	0.4	95	38.2	0.4	95	37.6	0.4	95	37.7	0.4	95	42.1	0.4	-	3.8%
13 - 16	24	-	24	11.5	0.5	24	12.3	0.5	24	11.9	0.5	24	11.9	0.5	24	13.3	0.6	-	1.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus will be on conducting foreign peace missions, border safeguarding operations, other contingency based deployments and anti-piracy operations, mainly reflected in the *Regional Security and Support to the People* subprogrammes.

Expenditure in the *Support to the People* subprogramme grows significantly across the seven-year period and is discussed in further detail in the section that follows. The projected increase in expenditure in the *Regional Security* subprogramme over the medium term is due to the allocation of an additional R80 million in 2013/14 and R90 million in 2014/15 for increased peace support operations in the Central African Republic, assistance to the Mozambican defence force in the fight against piracy in the Mozambique Channel, and for increased deployments in foreign countries.

The projected decrease in operating payments between 2009/10 and 2011/12 was due to fewer charter flights undertaken in respect of peace support operations. The significant increase projected in expenditure on travel and subsistence over the medium term is due to increased deployments to peace support operations across the continent.

Between 2009/10 and 2012/13, expenditure on compensation of employees and goods and services increased significantly due to the implementation of the military salary dispensation and the additional allocations for border safeguarding.

R4.1 million has been allocated over the medium term for spending on consultants to perform pressure testing and maintenance of diving cylinders, and to assist with infrastructure planning, all of which require highly specific skills not required on a full time basis.

The programme has a funded establishment of 2 497 posts. Personnel numbers are projected to decrease to 2 340 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Subprogramme: Support to the People

This subprogramme provides for the internal deployment of forces for border safeguarding and in support of the South African Police Service and other government departments. The South African National Defence Force is responsible for safeguarding landward borders and will deploy 13 sub-units on the borders, render support to other government departments in safety and security related activities in cooperation with the South African Police Service, provide assistance during disaster situations, and conduct search and rescue missions. Key activities in 2012/13 included 11 landward sub-units being deployed for border safeguarding, and a 100 per cent compliance with the number of authorised ordered commitments in respect of safety and security support, disaster aid and disaster relief, and search and rescue.

## Expenditure estimates

Table 22.9 Support to the People

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R thousand											
<b>Current payments</b>	<b>86 492</b>	<b>455 139</b>	<b>339 316</b>	<b>577 135</b>	<b>88.3%</b>	<b>91.4%</b>	<b>767 604</b>	<b>813 062</b>	<b>1 092 437</b>	<b>23.7%</b>	<b>94.4%</b>
Compensation of employees	44 735	258 747	150 294	276 453	83.5%	45.8%	416 157	435 149	494 606	21.4%	47.1%
Goods and services	41 757	196 392	189 022	300 682	93.1%	45.6%	351 447	377 913	597 831	25.7%	47.3%
of which:											
Administration fees	7	47	–	–	-100.0%	–	–	–	–	–	–
Advertising	964	31	10	–	-100.0%	0.1%	40	42	44	–	–
Assets less than the capitalisation threshold	–	7 100	15 514	2 308	–	1.6%	23 549	3 017	3 228	11.8%	0.9%
Catering: Departmental activities	494	3 819	–	–	-100.0%	0.3%	8	8	8	–	–
Communication	4 977	821	566	1 747	-29.5%	0.5%	2 167	2 276	2 390	11.0%	0.2%
Computer services	707	21	3 460	99	-48.1%	0.3%	55	57	60	-15.4%	–
Consultants and professional services:	–	2 159	2 519	–	–	0.3%	–	–	–	–	–
Business and advisory services											
Contractors	11 416	20 259	79 834	162 007	142.1%	17.1%	200 696	241 747	475 671	43.2%	31.4%
Agency and support / outsourced services	–	353	964	–	–	0.1%	–	–	–	–	–
Entertainment	–	316	1 263	146	–	0.1%	–	–	–	-100.0%	–
Fleet services (including government motor transport)	–	–	–	–	–	–	959	999	1 049	–	0.1%
Inventory: Food and food supplies	8 523	43 984	40 635	84 805	115.1%	11.2%	57 509	60 385	63 404	-9.2%	7.7%
Inventory: Fuel, oil and gas	7 875	9 506	16 352	39 599	71.3%	4.6%	26 540	27 887	29 260	-9.6%	3.6%
Inventory: Materials and supplies	587	78 304	12 885	3 801	86.4%	6.0%	2 698	2 677	2 850	-9.2%	0.3%
Inventory: Medical supplies	–	2	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	9 724	–	–	0.6%	–	–	–	–	–
Inventory: Other consumables	164	1 059	1 568	1 236	96.1%	0.3%	3 430	3 460	3 743	44.7%	0.3%
Inventory: Stationery and printing	62	792	586	370	81.4%	0.1%	813	854	896	34.3%	0.1%
Operating leases	9	392	80	7	-8.0%	–	236	248	260	233.7%	–
Property payments	31	249	52	902	207.6%	0.1%	5 594	5 696	5 980	87.9%	0.5%
Travel and subsistence	5 734	27 092	2 887	3 250	-17.2%	2.4%	26 830	28 221	8 633	38.5%	1.9%
Training and development	199	81	56	–	-100.0%	–	305	320	336	–	–
Operating payments	–	5	–	–	–	–	18	19	19	–	–
Venues and facilities	8	–	67	405	269.9%	–	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>8 410</b>	<b>47 245</b>	<b>59 856</b>	<b>21 893</b>	<b>37.6%</b>	<b>8.6%</b>	<b>81 246</b>	<b>81 360</b>	<b>6 888</b>	<b>-32.0%</b>	<b>5.6%</b>
Buildings and other fixed structures	19	47	109	608	217.5%	–	–	–	–	-100.0%	–
Machinery and equipment	8 391	47 198	59 747	21 285	36.4%	8.6%	81 246	81 360	6 888	-31.3%	5.5%
Payments for financial assets	–	8	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>94 902</b>	<b>502 392</b>	<b>399 172</b>	<b>599 028</b>	<b>84.8%</b>	<b>100.0%</b>	<b>848 850</b>	<b>894 422</b>	<b>1 099 325</b>	<b>22.4%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>5.0%</b>	<b>22.2%</b>	<b>16.9%</b>	<b>21.8%</b>			<b>25.8%</b>	<b>26.1%</b>	<b>30.1%</b>		

## Personnel information

**Table 22.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12		2012/13		2013/14			2014/15			2015/16			2012/13 - 2015/16				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Support to the People																			
Salary level 1-6	66	–	66	150.3	2.3	66	276.5	4.2	66	416.2	6.3	66	435.1	6.6	66	494.6	7.5	–	100.0%
	66	–	66	150.3	2.3	66	276.5	4.2	66	416.2	6.3	66	435.1	6.6	66	494.6	7.5	–	100.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus in this subprogramme is on executing border safeguarding and providing assistance during emergencies and national disasters. The number of companies deployed on border safeguarding duty has increased from 7 in 2011/12 to 11 in 2012/13 and is projected to increase to 19 over the medium term.

Over the medium term, spending is expected to increase due to the increased allocation of R545 million received for the rollout of border safeguarding operations. The additional funding will mainly be used to address the requirement for transport during the execution of this operation. Expenditure on compensation of employees is expected to increase from R276.5 million in 2012/13 to R494.6 million in 2015/16 due to the increased number of companies deployed and the deployment of a greater number of reserve forces in the absence of a sufficient permanent force being available.

The increase in spending on compensation of employees reflects deployment allowances paid to troops while stationed on the borders. The increase in expenditure on contractors over the seven year period under review is due to the deployment of companies for border safeguarding operations, which also accounts for the increased expenditure on inventory, and specifically food and fuel supplies, up to 2012/13. Expenditure on inventory is expected to decrease over the medium term due to the use of contractors to provide some of these services.

The subprogramme has a funded establishment of 66 posts. Personnel numbers are projected to remain the same over the medium term.

## Programme 3: Landward Defence

### Objectives

- Defend and protect South Africa and its territory over the medium term by:
  - providing 1 infantry capability, including Chief of the South African National Defence Reaction Force, for external deployment and for internal safety and security including border safeguarding
  - exercising 1 tank and armoured car capability and providing 1 squadron for internal deployment per year
  - exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
  - exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
  - providing a sustained composite engineer capability for external deployment, as well as for internal safety and security
  - exercising 1 field engineer capability per year
  - providing 1 signal capability for external deployment and for internal signal support and exercising 1 composite signal capability per year.

### Subprogrammes

- Strategic Direction* directs, orchestrates and controls the South African army in achieving its mission to prepare and provide supported landward capabilities for the defence and protection of South Africa. Funding is based on the costs of operating the South African Army headquarters and managing centralised

funds for scarce commodities and specialist services. This subprogramme had a staff complement of 738 in 2012/13.

- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 16 300 in 2012/13.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 395 in 2012/13.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 458 in 2012/13.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 024 in 2012/13.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments. This entails training, preparing, exercising and supporting field and construction engineer units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 2 445 in 2012/13.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations. This entails training, preparing, exercising and supporting intelligence units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 629 in 2012/13.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 493 in 2012/13.
- *Support Capability* provides first, second and fourth line support capabilities to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first and second line maintenance units and workshops. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 9 312 in 2012/13.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 547 in 2012/13.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments. This entails training, preparing, exercising and supporting signal units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 3 953 in 2012/13.

## Expenditure estimates

Table 22.11 Landward Defence

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Strategic Direction	350 056	526 080	351 438	264 174	-9.0%	3.6%	389 943	403 792	426 126	17.3%	2.7%
Infantry Capability	3 077 166	3 392 332	3 360 822	3 659 924	6.0%	32.4%	5 222 913	4 945 236	5 591 718	15.2%	35.1%
Armour Capability	240 313	296 843	305 796	337 145	11.9%	2.8%	344 737	378 910	409 286	6.7%	2.7%
Artillery Capability	328 009	317 602	374 894	496 541	14.8%	3.6%	388 640	427 342	474 797	-1.5%	3.2%
Air Defence Artillery Capability	388 636	212 109	378 009	592 639	15.1%	3.8%	419 668	482 136	471 072	-7.4%	3.6%
Engineering Capability	356 599	489 400	508 954	549 695	15.5%	4.6%	577 894	611 571	664 404	6.5%	4.3%
Operational Intelligence	264 740	229 590	178 654	239 424	-3.3%	2.2%	178 472	183 252	199 630	-5.9%	1.4%
Command and Control Capability	99 602	130 813	140 961	162 175	17.6%	1.3%	164 942	173 656	187 629	5.0%	1.2%
Support Capability	3 021 865	2 532 941	4 176 709	4 666 083	15.6%	34.6%	4 791 129	4 946 287	5 169 000	3.5%	35.4%
General Training Capability	269 537	355 204	323 255	405 385	14.6%	3.3%	378 659	396 137	425 501	1.6%	2.9%
Signal Capability	645 704	812 660	862 701	940 558	13.4%	7.8%	996 843	1 044 497	1 126 404	6.2%	7.4%
<b>Total</b>	<b>9 042 227</b>	<b>9 295 574</b>	<b>10 962 193</b>	<b>12 313 743</b>	<b>10.8%</b>	<b>100.0%</b>	<b>13 853 840</b>	<b>13 992 816</b>	<b>15 145 567</b>	<b>7.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(372 988)			102 561	(261 170)	235 898		
<b>Economic classification</b>											
<b>Current payments</b>	<b>6 606 667</b>	<b>8 568 063</b>	<b>8 867 194</b>	<b>9 911 213</b>	<b>14.5%</b>	<b>81.6%</b>	<b>10 440 614</b>	<b>11 004 240</b>	<b>11 651 683</b>	<b>5.5%</b>	<b>77.8%</b>
Compensation of employees	5 331 578	7 291 041	7 538 030	8 259 505	15.7%	68.3%	8 908 843	9 471 930	10 027 113	6.7%	66.3%
Goods and services	1 275 089	1 277 022	1 329 164	1 651 708	9.0%	13.3%	1 531 771	1 532 310	1 624 570	-0.6%	11.5%
of which:											
Administration fees	9	14	6	-	-100.0%	-	-	-	-	-	-
Advertising	764	697	922	1 114	13.4%	-	1 337	1 485	1 449	9.2%	-
Assets less than the capitalisation threshold	58 108	36 018	47 403	108 506	23.1%	0.6%	126 050	149 653	148 813	11.1%	1.0%
Catering: Departmental activities	8 196	348	-	413	-63.1%	-	344	346	375	-3.2%	-
Communication	42 108	37 677	35 246	46 025	3.0%	0.4%	43 935	44 574	45 416	-0.4%	0.3%
Computer services	76 636	94 277	76 257	91 360	6.0%	0.8%	89 033	90 361	91 529	0.1%	0.7%
Consultants and professional services: Business and advisory services	13 277	5 960	6 887	7 186	-18.5%	0.1%	9 858	10 290	10 432	13.2%	0.1%
Consultants and professional services: Infrastructure and planning	3 199	995	5	13 095	60.0%	-	8 309	8 245	8 193	-14.5%	0.1%
Contractors	186 732	193 405	213 796	267 733	12.8%	2.1%	223 842	199 472	239 282	-3.7%	1.7%
Agency and support / outsourced services	16 270	17 475	15 894	18 645	4.6%	0.2%	14 387	14 561	14 432	-8.2%	0.1%
Entertainment	2 162	2 463	3 589	4 348	26.2%	-	4 312	4 858	5 185	6.0%	-
Fleet services (including government motor transport)	-	-	-	-	-	-	2 128	2 189	2 290	-	-
Inventory: Food and food supplies	397 827	380 930	382 993	460 466	5.0%	3.9%	294 115	301 852	297 486	-13.6%	2.4%
Inventory: Fuel, oil and gas	93 595	94 311	118 126	192 128	27.1%	1.2%	225 614	240 767	257 859	10.3%	1.7%
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	373	-	-	-
Inventory: Materials and supplies	56 505	42 160	73 072	59 166	1.5%	0.6%	62 888	39 294	64 002	2.7%	0.4%
Inventory: Medical supplies	396	339	275	66	-45.0%	-	616	607	610	109.9%	-
Inventory: Medicine	-	8	11	20	-	-	23	19	19	-1.7%	-
Inventory: Military stores	3 026	25 300	25 856	59	-73.1%	0.1%	21	21	22	-28.0%	-
Inventory: Other consumables	32 776	40 913	55 980	58 265	21.1%	0.5%	58 274	53 151	61 223	1.7%	0.4%
Inventory: Stationery and printing	24 431	23 216	27 970	31 437	8.8%	0.3%	30 685	30 784	30 992	-0.5%	0.2%
Operating leases	9 536	10 937	12 850	17 173	21.7%	0.1%	20 066	21 261	21 339	7.5%	0.1%
Property payments	3 654	4 106	4 475	6 916	23.7%	-	64 867	66 165	67 582	113.8%	0.4%
Travel and subsistence	188 486	211 572	178 815	185 316	-0.6%	1.8%	155 372	156 372	158 967	-5.0%	1.2%
Training and development	37 116	29 596	30 080	52 786	12.5%	0.4%	60 440	59 601	60 301	4.5%	0.4%
Operating payments	18 659	22 015	17 396	26 667	12.6%	0.2%	35 251	36 005	36 768	11.3%	0.2%
Venues and facilities	1 621	2 290	1 260	2 818	20.2%	-	-	-	-	-100.0%	-
Rental and hiring	-	-	-	-	-	-	4	4	4	-	-
<b>Transfers and subsidies</b>	<b>2 326 127</b>	<b>496 614</b>	<b>1 795 945</b>	<b>2 056 909</b>	<b>-4.0%</b>	<b>16.0%</b>	<b>3 209 808</b>	<b>2 773 022</b>	<b>3 451 528</b>	<b>18.8%</b>	<b>20.8%</b>
Departmental agencies and accounts	2 286 917	414 363	1 710 672	1 955 279	-5.1%	15.3%	3 118 625	2 678 866	3 358 887	19.8%	20.1%
Public corporations and private enterprises	-	39 000	51 296	53 617	-	0.3%	54 447	54 932	54 932	0.8%	0.4%
Households	39 210	43 251	33 977	48 013	7.0%	0.4%	36 736	39 224	37 709	-7.7%	0.3%

Table 22.11 Landward Defence (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
<b>Payments for capital assets</b>	<b>107 126</b>	<b>226 582</b>	<b>295 063</b>	<b>345 621</b>	<b>47.8%</b>	<b>2.3%</b>	<b>203 418</b>	<b>215 554</b>	<b>42 356</b>	<b>-50.3%</b>	<b>1.5%</b>	
Buildings and other fixed structures	116	157	1 831	131	4.1%	-	-	-	-	-100.0%	-	
Machinery and equipment	107 010	225 630	292 652	318 465	43.8%	2.3%	198 427	210 551	37 344	-51.1%	1.4%	
Specialised military assets	-	795	-	27 000	-	0.1%	4 800	4 800	4 800	-43.8%	0.1%	
Biological assets	-	-	580	-	-	-	163	173	182	-	-	
Software and other intangible assets	-	-	-	25	-	-	28	30	30	6.3%	-	
<b>Payments for financial assets</b>	<b>2 307</b>	<b>4 315</b>	<b>3 991</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>9 042 227</b>	<b>9 295 574</b>	<b>10 962 193</b>	<b>12 313 743</b>	<b>10.8%</b>	<b>100.0%</b>	<b>13 853 840</b>	<b>13 992 816</b>	<b>15 145 567</b>	<b>7.1%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>28.9%</b>	<b>30.5%</b>	<b>31.9%</b>	<b>32.5%</b>			<b>34.4%</b>	<b>32.8%</b>	<b>33.6%</b>			

## Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Special defence account	2 286 917	414 363	1 710 672	1 955 279	-5.1%	15.3%	3 118 625	2 678 866	3 358 887	19.8%	20.1%
<b>Households</b>											
<b>Social benefits</b>											
Current											
Employee social benefits	39 210	43 251	33 977	48 013	7.0%	0.4%	36 736	39 224	37 709	-7.7%	0.3%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current											
Armaments Corporation of South Africa	-	39 000	51 296	53 617	-	0.3%	54 447	54 932	54 932	0.8%	0.4%

## Personnel information

Table 22.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16													
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost					
Landward Defence		39 725		39 538	7 538.0	0.2	39 725	8 259.5	0.2	38 715	8 908.8	0.2	38 375	9 471.9	0.2	36 801	10 027.1	0.3	-2.5%	100.0%
Salary level																				
1-6	31 318	-	31 353	5 104.7	0.2	31 318	5 590.8	0.2	30 316	5 947.3	0.2	29 909	6 307.3	0.2	29 670	6 750.2	0.2	-1.8%	78.9%	
7-10	8 195	-	7 986	2 302.2	0.3	8 195	2 545.4	0.3	8 187	2 798.4	0.3	8 254	2 992.0	0.4	6 933	3 095.9	0.4	-5.4%	20.6%	
11-12	174	-	161	96.9	0.6	174	95.2	0.5	174	124.0	0.7	174	131.2	0.8	164	137.9	0.8	-2.0%	0.4%	
13-16	38	-	38	34.2	0.9	38	28.1	0.7	38	39.2	1.0	38	41.4	1.1	34	43.1	1.3	-3.6%	0.1%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing forces for internal and external deployments according to government requirements. In this regard, the South African army will continue to prepare its forces to comply with military strategic objectives. It will also maintain and manage assets and equipment to support deployments and force preparations.

Between 2009/10 and 2012/13, the decrease in expenditure in the *Strategic Direction* subprogramme and the increase in the *Command and Control Capability* subprogramme was due to the shifting of responsibility for the execution of landward defence military exercises between the two subprogrammes. The increase in compensation of employees from 2009/10 to 2012/13 was due to the implementation of the military salary dispensation.

The projected increase in expenditure in the *Strategic Direction* subprogramme over the medium term is due to the implementation of the improved salary dispensation for warrant officers. Over the medium term, expenditure in the *Infantry Capability* subprogramme is expected to increase due to the start of production of a

new generation infantry combat vehicle. This is also the reason for the increase in transfers and subsidies, which provides for the development and production phase of the vehicle. The projected decrease in expenditure in the *Air Defence Artillery Capability* subprogramme over the medium term is due to the gradual completion of the ground based air defence systems, while the projected decreased expenditure in the *Operational Intelligence* subprogramme over the same period is due to the finalisation of the mobile intelligence processing system.

The decrease projected in the payments for capital assets in 2015/16 is due to a decision to fast track the replacement of obsolete and redundant trucks and vehicles by 2014/15. Consultants and professional services provides mostly for South African Bureau of Standards services, operational research, and codification and cataloguing. Expenditure on consultants and professionals remains stable over the medium term, increasing to R18.6 million in 2015/16.

The programme has a funded establishment of 39 725 posts. Personnel numbers are projected to decrease to 36 801 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces

## Programme 4: Air Defence

### Objectives

- Defend and protect South Africa and its airspace over the medium term by providing:
  - 4 helicopter squadrons and 1 combat support helicopter squadron per year
  - 3 medium transport squadrons which will include one VIP squadron, 1 maritime and transport squadron, 1 light transport squadron and 9 reserve squadrons at the required readiness levels per year
  - 1 air combat squadron per year
  - 24-hour air command and control capability.

### Subprogrammes

- *Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. Funding is based on the cost of operating the air defence headquarters. The air force provides support by executing flights during border safeguarding tasks, authorised safety and security support commitments, disaster aid and disaster relief ordered commitments, and authorised search and rescue commitments. This subprogramme had a staff complement of 40 in 2012/13.
- *Operational Direction* provides operational direction to the programme by means of an air command. Funding is based on the cost of operating the air command. The air force ensures that the planned daily availability of aircraft is achieved and that planned flying hours are flown. This subprogramme had no staff complement in 2012/13.
- *Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 526 in 2012/13.
- *Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 452 in 2012/13.
- *Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating

equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 213 in 2012/13.

- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counter intelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force. Funding is distributed according to the number and size of squadrons, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 102 in 2012/13.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. The air force and the Air Traffic and Navigation Services Company deploy and integrate a network of radar, observation posts and electronic warfare sensors across the country to detect and monitor compliance with published restrictions, and to monitor and control the South African National Defence Force's air traffic. This subprogramme had a staff complement of 4 549 in 2012/13.
- *Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations. Funding is distributed according to the number and size of air force bases and units, systems and operating equipment requirements, maintenance requirements, and the number of training courses. This subprogramme had a staff complement of 5 555 in 2012/13.
- *Command Post* renders command and control over all missions flown. Funding is distributed according to the number and size of command posts and deployments, and readiness and aircraft chartering requirements. This subprogramme had a staff complement of 112 in 2012/13.
- *Training Capability* provides for the general education, training and development of air force personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 2 018 members were trained. This subprogramme had a staff complement of 1 013 in 2012/13.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and contracted human resources and product system requirements. This subprogramme had a staff complement of 2 021 in 2012/13.

## Expenditure estimates

**Table 22.13 Air Defence**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R thousand											
Strategic Direction	13 726	17 637	14 247	16 493	6.3%	0.2%	19 289	20 215	21 449	9.2%	0.3%
Operational Direction	141 476	131 500	209 723	222 138	16.2%	2.5%	156 870	96 913	97 722	-23.9%	2.0%
Helicopter Capability	768 117	780 383	895 739	915 123	6.0%	12.1%	769 020	667 057	623 075	-12.0%	10.6%
Transport and Maritime Capability	2 670 325	624 124	555 290	697 363	-36.1%	16.4%	779 991	1 109 642	1 892 023	39.5%	16.0%
Air Combat Capability	2 535 968	763 177	1 352 220	1 632 929	-13.6%	22.6%	1 152 346	1 909 763	1 298 518	-7.4%	21.4%
Operational Support and Intelligence Capability	204 590	258 389	320 446	428 125	27.9%	4.4%	370 132	372 415	388 022	-3.2%	5.6%
Command and Control Capability	223 897	305 687	375 870	412 300	22.6%	4.7%	397 406	383 849	447 641	2.8%	5.8%
Base Support Capability	1 116 786	1 369 965	1 494 872	1 601 355	12.8%	20.1%	1 543 308	1 564 062	1 579 047	-0.5%	22.4%
Command Post	40 970	50 062	16 411	45 629	3.7%	0.6%	48 016	49 507	53 359	5.4%	0.7%
Training Capability	383 838	583 457	450 660	321 156	-5.8%	6.3%	180 000	193 898	196 839	-15.1%	3.2%
Technical Support Services	544 069	604 721	842 264	826 109	14.9%	10.1%	833 835	842 954	885 989	2.4%	12.1%
<b>Total</b>	<b>8 643 762</b>	<b>5 489 102</b>	<b>6 527 742</b>	<b>7 118 720</b>	<b>-6.3%</b>	<b>100.0%</b>	<b>6 250 213</b>	<b>7 210 275</b>	<b>7 483 684</b>	<b>1.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				369 055			(954 665)	(499 195)	(580 422)		

Table 22.13 Air Defence (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Current payments</b>	<b>3 427 294</b>	<b>4 040 973</b>	<b>4 599 266</b>	<b>5 316 338</b>	<b>15.8%</b>	<b>62.6%</b>	<b>4 654 055</b>	<b>4 629 263</b>	<b>4 804 745</b>	<b>-3.3%</b>	<b>69.1%</b>
Compensation of employees	1 885 079	2 350 100	2 497 146	2 754 288	13.5%	34.1%	2 850 669	2 956 455	3 055 749	3.5%	41.4%
Goods and services	1 542 215	1 690 873	2 102 120	2 562 050	18.4%	28.4%	1 803 386	1 672 808	1 748 996	-11.9%	27.7%
of which:											
Administration fees	–	–	4	–	–	–	–	–	–	–	–
Advertising	533	382	455	1 192	30.8%	–	1 044	1 191	1 318	3.4%	–
Assets less than the capitalisation threshold	9 584	19 519	15 384	12 163	8.3%	0.2%	12 258	12 856	13 443	3.4%	0.2%
Catering: Departmental activities	178	317	–	73	-25.7%	–	63	69	77	1.8%	–
Communication	7 083	7 114	8 057	6 407	-3.3%	0.1%	6 538	7 164	7 597	5.8%	0.1%
Computer services	30 977	22 399	39 715	33 226	2.4%	0.5%	30 563	32 787	35 618	2.3%	0.5%
Consultants and professional services: Business and advisory services	43 222	7 472	5 471	7 905	-43.2%	0.2%	4 772	4 690	4 157	-19.3%	0.1%
Consultants and professional services: Infrastructure and planning	163	80	44	2 941	162.3%	–	4 644	4 934	5 244	21.3%	0.1%
Consultants and professional services: Laboratory services	27	28	2	30	3.6%	–	30	30	30	–	–
Consultants and professional services: Legal costs	1	–	–	–	-100.0%	–	–	–	–	–	–
Contractors	779 629	854 740	1 130 442	1 323 200	19.3%	14.7%	661 240	629 969	700 929	-19.1%	11.8%
Agency and support / outsourced services	274 683	284 320	278 874	294 398	2.3%	4.1%	276 300	276 312	276 330	-2.1%	4.0%
Entertainment	782	1 548	860	213	-35.2%	–	1 077	1 281	1 384	86.6%	–
Fleet services (including government motor transport)	–	–	–	–	–	–	2 096	2 248	2 437	–	–
Inventory: Food and food supplies	67 910	84 444	75 482	91 602	10.5%	1.1%	3 207	3 431	3 671	-65.8%	0.4%
Inventory: Fuel, oil and gas	104 495	174 042	193 335	315 477	44.5%	2.8%	253 155	194 219	175 673	-17.7%	3.3%
Inventory: Learner and teacher support material	–	(5 487)	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	(71 988)	(100 052)	(94 408)	32 440	-176.7%	-0.8%	32 962	34 970	37 048	4.5%	0.5%
Inventory: Medical supplies	20	54	24	8	-26.3%	–	13	14	14	20.5%	–
Inventory: Medicine	–	4	5	–	–	–	–	–	–	–	–
Inventory: Military stores	19 491	25 503	31 142	47 565	34.6%	0.4%	189 113	140 528	156 291	48.7%	1.9%
Inventory: Other consumables	37 483	39 599	35 790	34 376	-2.8%	0.5%	28 195	31 867	34 705	0.3%	0.5%
Inventory: Stationery and printing	10 456	9 867	11 543	11 514	3.3%	0.2%	10 695	11 479	12 373	2.4%	0.2%
Operating leases	4 210	4 523	4 378	10 142	34.1%	0.1%	7 372	7 306	7 790	-8.4%	0.1%
Property payments	1 899	2 799	3 092	3 498	22.6%	–	11 261	12 011	12 836	54.2%	0.1%
Travel and subsistence	109 164	129 579	134 426	65 142	-15.8%	1.6%	73 905	60 139	51 660	-7.4%	0.9%
Training and development	33 096	31 771	43 674	52 146	16.4%	0.6%	34 121	42 762	45 070	-4.7%	0.6%
Operating payments	78 527	94 178	183 547	215 370	40.0%	2.1%	158 758	160 547	163 297	-8.8%	2.5%
Venues and facilities	590	2 130	782	1 022	20.1%	–	4	4	4	-84.2%	–
<b>Transfers and subsidies</b>	<b>5 182 185</b>	<b>1 400 475</b>	<b>1 869 638</b>	<b>1 781 950</b>	<b>-29.9%</b>	<b>36.8%</b>	<b>1 581 624</b>	<b>2 567 280</b>	<b>2 665 230</b>	<b>14.4%</b>	<b>30.6%</b>
Departmental agencies and accounts	5 167 580	1 384 004	1 852 556	1 765 517	-30.1%	36.6%	1 564 350	2 549 695	2 647 576	14.5%	30.4%
Public corporations and private enterprises	–	2 090	2 929	2 260	–	–	–	–	–	-100.0%	–
Households	14 605	14 381	14 153	14 173	-1.0%	0.2%	17 274	17 585	17 654	7.6%	0.2%
<b>Payments for capital assets</b>	<b>33 745</b>	<b>42 232</b>	<b>58 414</b>	<b>20 432</b>	<b>-15.4%</b>	<b>0.6%</b>	<b>14 534</b>	<b>13 732</b>	<b>13 709</b>	<b>-12.5%</b>	<b>0.2%</b>
Buildings and other fixed structures	–	37	145	18	–	–	–	–	–	-100.0%	–
Machinery and equipment	33 690	39 316	58 269	12 381	-28.4%	0.5%	6 441	5 638	5 615	-23.2%	0.1%
Specialised military assets	–	2 780	–	8 033	–	–	8 093	8 094	8 094	0.3%	0.1%
Biological assets	10	–	–	–	-100.0%	–	–	–	–	–	–
Software and other intangible assets	45	99	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>538</b>	<b>5 422</b>	<b>424</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>8 643 762</b>	<b>5 489 102</b>	<b>6 527 742</b>	<b>7 118 720</b>	<b>-6.3%</b>	<b>100.0%</b>	<b>6 250 213</b>	<b>7 210 275</b>	<b>7 483 684</b>	<b>1.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.6%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>18.8%</b>			<b>15.5%</b>	<b>16.9%</b>	<b>16.6%</b>		

## Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5 167 580	1 384 004	1 852 556	1 765 517	-30.1%	36.6%	1 564 350	2 549 695	2 647 576	14.5%	30.4%
Special defence account	5 167 580	1 384 004	1 852 556	1 765 517	-30.1%	36.6%	1 564 350	2 549 695	2 647 576	14.5%	30.4%
Households											
Social benefits											
Current	14 605	14 381	14 153	14 173	-1.0%	0.2%	17 274	17 585	17 654	7.6%	0.2%
Employee social benefits	14 605	14 381	14 153	14 173	-1.0%	0.2%	17 274	17 585	17 654	7.6%	0.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	2 090	2 929	2 260	–	–	–	–	–	-100.0%	–
Armaments Corporation of South Africa	–	2 090	2 929	2 260	–	–	–	–	–	-100.0%	–

## Personnel information

**Table 22.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	2012/13 - 2015/16		
<b>Air Defence</b>																			
<b>Salary level</b>	11 592	-	11 461	2 497.1	0.2	11 592	2 754.3	0.2	11 235	2 850.7	0.3	10 933	2 956.5	0.3	10 204	3 055.7	0.3	-4.2%	100.0%
1 – 6	7 630	-	7 531	1 127.5	0.1	7 630	1 250.5	0.2	7 293	1 269.2	0.2	7 105	1 311.4	0.2	6 627	1 336.0	0.2	-4.6%	65.2%
7 – 10	3 810	-	3 795	1 268.2	0.3	3 810	1 383.8	0.4	3 790	1 454.9	0.4	3 676	1 509.1	0.4	3 425	1 568.6	0.5	-3.5%	33.4%
11 – 12	127	-	110	73.7	0.7	127	91.1	0.7	127	96.2	0.8	127	103.3	0.8	127	114.6	0.9	-	1.2%
13 – 16	25	-	25	27.7	1.1	25	28.9	1.2	25	30.4	1.2	25	32.6	1.3	25	36.5	1.5	-	0.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus of the *Air Defence* programme will be on creating and restoring the capacity and capability to supply and support prepared forces, integrating new electronic warfare, navigation, and air-to-air missile systems on the Hawk and Grippen fighter jets with the existing command and control systems, and ensuring the sustainability, development and retention of human resources.

Between 2009/10 and 2012/13, expenditure on transfers and subsidies decreased mainly due to the finalisation of the strategic defence procurement programme, which will come to an end in 2014/15. This is also the cause of the decrease in expenditure in the *Air Combat Capability* subprogramme over the same period. The decrease in expenditure in the *Transport and Maritime Capability* subprogramme between 2009/10 to 2012/13 was due to the decision by Cabinet to cancel the A400M strategic airlift capability project, which also accounts for the decreased transfer payments over the same period.

The increase in expenditure on compensation of employees between 2009/10 and 2012/13 was due to the implementation of the military salary dispensation.

Over the medium term, expenditure in the *Helicopter Capability* subprogramme is expected to decrease due to the reprioritisation of contractors as well as the completion of the Rooivalk combat support and Oryx operational helicopter upgrades.

Expenditure in the *Transport and Maritime Capability* subprogramme over the medium term is expected to increase due to the planned acquisition of maritime surveillance aircraft, which also increased transfer payments. The increase in expenditure in the *Air Combat Capability* in 2014/15 is to provide for the acquisition of an air defence and air traffic management surveillance sensor in that year. Payments for capital assets over the medium term are expected to increase based on the replacement schedules of passenger vehicles and training devices. Payments to contractors will decrease over the medium term due to reprioritisation towards border safeguarding and foreign deployments in the *Landward Defence* and *Force Employment* programmes respectively.

A reduction of R338.9 million is made in this programme over the medium term as part of the Cabinet approved reductions, mainly reflected in expenditure on contractors.

A projected R28.5 million will be spent on consultants over the MTEF period in this programme to do environmental studies at the Overberg test range, assist with infrastructure planning and assist with the integration of new operating systems on fighter jets, all of which require highly specialised personnel not required on a full time basis.

The programme has a funded establishment of 11 592 posts. Personnel numbers are projected to decrease to 10 204 in 2015/16, as the department aligns its establishment with the 1998 Defence Review, which calls for a reduction in the number of regular force members and an increase in reserve forces.

## Programme 5: Maritime Defence

### Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:
  - a surface combat capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels in each annual operational cycle
  - a sub-surface combat capability of 2 submarines in each annual operational cycle
  - a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South African harbours and mine clearance where this may be required
  - a maritime reaction squadron capability comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
  - an ongoing hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

### Subprogrammes

- Maritime Direction* provides strategic direction for the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities. Funding is distributed based on the cost of operating the naval headquarters. This subprogramme had a staff complement of 1 444 in 2012/13.
- Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department. Funding is distributed according to the number and size of units, the number of maritime combat force preparation exercises carried out and the number of force employment operations executed. This subprogramme had a staff complement of 1 603 in 2012/13.
- Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments. Funding is distributed according to the number and size of units, the utilisation and maintenance of support systems and equipment, and the provision of product systems. This subprogramme had a staff complement of 555 in 2012/13.
- Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel. Funding is distributed according to the number and size of units, the utilisation and maintenance of training equipment, and the number of courses presented. In 2012/13, 4 929 members were trained. This subprogramme had a staff complement of 1 749 in 2012/13.
- Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels. Funding is distributed according to the size of the naval base, the utilisation and maintenance of the harbour, the maintenance of naval infrastructure, and the utilisation of naval base support systems and equipment. This subprogramme had a staff complement of 2 164 in 2012/13.

### Expenditure estimates

Table 22.15 Maritime Defence

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Maritime Direction	327 140	391 303	445 452	562 214	19.8%	17.6%	507 994	516 151	519 839	-2.6%	15.7%
Maritime Combat Capability	447 163	533 573	559 842	544 134	6.8%	21.3%	726 605	1 192 505	1 202 540	30.3%	27.3%
Maritime Logistic Support Capability	488 690	585 695	762 136	925 351	23.7%	28.2%	991 139	984 492	952 158	1.0%	28.7%
Maritime Human Resources and Training Capability	244 908	312 817	304 112	309 261	8.1%	12.0%	350 408	358 660	424 156	11.1%	10.8%
Base Support Capability	489 553	526 528	503 171	521 292	2.1%	20.9%	594 920	599 685	620 621	6.0%	17.4%
<b>Total</b>	<b>1 997 454</b>	<b>2 349 916</b>	<b>2 574 713</b>	<b>2 862 252</b>	<b>12.7%</b>	<b>100.0%</b>	<b>3 171 066</b>	<b>3 651 493</b>	<b>3 719 314</b>	<b>9.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				310 945			415 575	453 284	373 987		

Table 22.15 Maritime Defence (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
<b>Current payments</b>	<b>1 552 356</b>	<b>1 912 053</b>	<b>2 095 632</b>	<b>2 467 783</b>	<b>16.7%</b>	<b>82.0%</b>	<b>2 756 260</b>	<b>2 753 819</b>	<b>2 813 120</b>	<b>4.5%</b>	<b>80.5%</b>
Compensation of employees	1 047 486	1 378 275	1 517 297	1 639 123	16.1%	57.1%	1 734 893	1 782 066	1 900 565	5.1%	52.6%
Goods and services	504 870	533 778	578 335	828 660	18.0%	25.0%	1 021 367	971 753	912 555	3.3%	27.9%
of which:											
Administration fees	–	(28)	–	15	–	–	15	16	17	4.3%	–
Advertising	286	252	392	517	21.8%	–	488	579	495	-1.4%	–
Assets less than the capitalisation threshold	13 300	11 998	13 665	13 751	1.1%	0.5%	10 190	15 445	15 852	4.9%	0.4%
Catering: Departmental activities	741	600	–	475	-13.8%	–	704	771	809	19.4%	–
Communication	9 420	8 792	9 898	9 671	0.9%	0.4%	9 366	10 223	10 810	3.8%	0.3%
Computer services	27 660	37 511	31 078	26 389	-1.6%	1.3%	26 172	30 167	26 772	0.5%	0.8%
Consultants and professional services: Business and advisory services	13 708	288	693	1 299	-54.4%	0.2%	750	825	908	-11.3%	–
Consultants and professional services: Infrastructure and planning	–	694	1 955	635	–	–	2 508	2 618	2 067	48.2%	0.1%
Contractors	175 700	175 121	207 779	378 751	29.2%	9.6%	535 587	482 323	422 701	3.7%	13.6%
Agency and support / outsourced services	20 323	23 748	22 065	12 326	-15.4%	0.8%	3 417	428	429	-67.4%	0.1%
Entertainment	109	107	145	107	-0.6%	–	104	104	104	-0.9%	–
Fleet services (including government motor transport)	–	–	–	–	–	–	133	141	150	–	–
Inventory: Food and food supplies	74 392	62 723	54 805	67 732	-3.1%	2.7%	61 752	65 864	19 239	-34.3%	1.6%
Inventory: Fuel, oil and gas	45 114	84 392	74 532	69 111	15.3%	2.8%	75 878	52 952	61 930	-3.6%	1.9%
Inventory: Materials and supplies	17 112	10 108	(38 333)	45 400	38.4%	0.4%	20 514	29 287	22 182	-21.2%	0.9%
Inventory: Medical supplies	7	1	5	6	-5.0%	–	8	9	9	14.5%	–
Inventory: Medicine	–	–	–	25	–	–	10	11	11	-23.9%	–
Inventory: Military stores	7 586	8 952	51 271	79 929	119.2%	1.5%	29 334	30 782	76 613	-1.4%	1.6%
Inventory: Other consumables	24 184	24 601	30 047	18 717	-8.2%	1.0%	17 641	21 748	23 893	8.5%	0.6%
Inventory: Stationery and printing	6 192	5 429	6 781	6 742	2.9%	0.3%	8 800	9 326	10 057	14.3%	0.3%
Operating leases	4 775	4 068	2 191	9 221	24.5%	0.2%	8 207	8 132	4 643	-20.4%	0.2%
Property payments	10 476	7 450	8 432	2 000	-42.4%	0.3%	59 790	59 480	60 070	210.8%	1.4%
Travel and subsistence	36 521	38 300	44 236	43 488	6.0%	1.7%	39 582	40 955	43 500	–	1.2%
Training and development	6 273	7 313	(9 580)	14 361	31.8%	0.2%	11 077	10 230	9 844	-11.8%	0.3%
Operating payments	7 668	19 342	56 966	20 582	39.0%	1.1%	99 340	99 337	99 450	69.1%	2.4%
Venues and facilities	3 323	2 016	9 312	7 410	30.6%	0.2%	–	–	–	-100.0%	0.1%
<b>Transfers and subsidies</b>	<b>366 424</b>	<b>378 061</b>	<b>443 589</b>	<b>361 164</b>	<b>-0.5%</b>	<b>15.8%</b>	<b>394 767</b>	<b>880 577</b>	<b>880 594</b>	<b>34.6%</b>	<b>18.8%</b>
Departmental agencies and accounts	249 498	222 835	231 153	104 117	-25.3%	8.3%	179 058	654 180	642 932	83.5%	11.8%
Public corporations and private enterprises	104 853	148 376	194 047	240 344	31.9%	7.0%	197 931	208 619	219 884	-2.9%	6.5%
Households	12 073	6 850	18 389	16 703	11.4%	0.6%	17 778	17 778	17 778	2.1%	0.5%
<b>Payments for capital assets</b>	<b>78 011</b>	<b>58 957</b>	<b>35 240</b>	<b>33 305</b>	<b>-24.7%</b>	<b>2.1%</b>	<b>20 039</b>	<b>17 097</b>	<b>25 600</b>	<b>-8.4%</b>	<b>0.7%</b>
Buildings and other fixed structures	33 257	15 462	8 865	9 580	-34.0%	0.7%	10 526	6 990	6 374	-12.7%	0.2%
Machinery and equipment	44 752	43 032	26 355	22 716	-20.2%	1.4%	8 860	9 664	8 858	-26.9%	0.4%
Specialised military assets	–	463	–	–	–	–	250	–	9 880	–	0.1%
Software and other intangible assets	2	–	20	1 009	696.1%	–	403	443	488	-21.5%	–
<b>Payments for financial assets</b>	<b>663</b>	<b>845</b>	<b>252</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>1 997 454</b>	<b>2 349 916</b>	<b>2 574 713</b>	<b>2 862 252</b>	<b>12.7%</b>	<b>100.0%</b>	<b>3 171 066</b>	<b>3 651 493</b>	<b>3 719 314</b>	<b>9.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.4%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>7.6%</b>			<b>7.9%</b>	<b>8.6%</b>	<b>8.2%</b>		
<b>Details of transfers and subsidies</b>											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	249 498	222 835	231 153	104 117	-25.3%	8.3%	179 058	654 180	642 932	83.5%	11.8%
Special defence account	249 498	222 835	231 153	104 117	-25.3%	8.3%	179 058	654 180	642 932	83.5%	11.8%
Households											
Social benefits											
Current	12 073	6 850	18 389	16 703	11.4%	0.6%	17 778	17 778	17 778	2.1%	0.5%
Employee social benefits	12 073	6 850	18 389	16 703	11.4%	0.6%	17 778	17 778	17 778	2.1%	0.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	104 853	148 376	194 047	240 344	31.9%	7.0%	197 931	208 619	219 884	-2.9%	6.5%
Armaments Corporation of South Africa	104 853	148 376	194 047	240 344	31.9%	7.0%	197 931	208 619	219 884	-2.9%	6.5%

## Personnel information

Table 22.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Maritime Defence</b>																			
<b>Salary level</b>	7 590	–	7 479	1 517.3	0.2	7 590	1 639.1	0.2	7 307	1 734.9	0.2	7 149	1 782.1	0.2	7 415	1 900.6	0.3	-0.8%	100.0%
1 – 6	5 498	–	5 423	873.3	0.2	5 498	912.5	0.2	5 205	966.9	0.2	5 115	998.4	0.2	5 521	1 107.9	0.2	0.1%	72.4%
7 – 10	1 979	–	1 952	579.1	0.3	1 979	639.4	0.3	1 989	683.6	0.3	1 918	692.9	0.4	1 789	702.9	0.4	-3.3%	26.1%
11 – 12	91	–	82	46.2	0.6	91	63.5	0.7	91	62.0	0.7	94	67.3	0.7	86	67.4	0.8	-1.9%	1.2%
13 – 16	22	–	22	18.7	0.8	22	23.7	1.1	22	22.5	1.0	22	23.6	1.1	19	22.5	1.2	-4.8%	0.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on preparing and maintaining the approved vessels and associated support systems, including the associated human resources, at the required readiness levels to meet maritime defence commitments in a sustained manner. The spending focus will also be on finalising all activities for the full acceptance and integration of the strategically procured frigates, helicopters and submarines and the implementation of the maritime security strategy that was approved by Cabinet to promote maritime security on the East Coast of Africa.

Over the medium term, spending in the *Maritime Combat Capability* subprogramme is projected to increase to provide for: the milestone payments for the replacement of offshore patrol vessels and the procurement of harbour tugs for the naval base in 2014/15, which also increased transfers and subsidies; and the upgrading of the Durban harbour and the concomitant activities over the medium term to combat piracy. Spending on the *Maritime Human Resources and Training Capability* subprogramme also increases over the medium term in line with the increased activities related to peace support operations for which funds were reprioritised within the department. Expenditure on consultants and professional services, infrastructure and planning over the medium term is expected to increase mainly due to a greater requirement for surveys to be done on ships to ensure they adhere to sea safety legislation in line with Marine Notice 13 of 2011. Expenditure on agency and support and outsourced services over the medium term is expected to decrease significantly due to the termination of contract labour appointments, such as cleaners, chefs and typists, and appointing them as part of the full time staff component.

The programme has a funded establishment of 7 590 posts. Personnel numbers are projected to decrease to 7 415 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Programme 6: Military Health Support

### Objectives

- Provide prepared and supported health capabilities and services by providing:
  - a health support capability of 5 medical battalion groups, including accompanying field hospitals and 1 specialist medical battalion group, for deployed and contingency forces
  - a comprehensive multidisciplinary military health service to a projected patient population of 302 000 members per year.

## Subprogrammes

- *Strategic Direction* formulates strategy, policies and plans; and provides advice from the surgeon general's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. This subprogramme had a staff complement of 269 in 2012/13.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces, and provides health services to provincial hospitals and the Department of Health as and when ordered. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and the number of force preparation activities. This subprogramme had a staff complement of 236 in 2012/13.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, commanding and controlling 9 area military health units to ensure a healthy military community. The military hospitals also attend to health care activities, medical support and health activities in the specialist aviation environment. Funding is distributed according to the number and size of units and health care facilities, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services provided, and force preparation activities. In 2012/13, 120 000 health care activities were carried out at military hospitals. This subprogramme had a staff complement of 2 927 in 2012/13.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy. Funding is distributed according to the number and size of military hospitals and specialist units, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services rendered, and force preparation activities. In 2012/13, 784 000 health care activities were carried out at the military hospitals. This subprogramme had a staff complement of 2 448 in 2012/13.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; procuring unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics. Funding is distributed according to the number and size of units; the use of military health products, equipment and consumables; and the requirements for maintaining strategic military health reserves. In 2012/13, there was a 55 per cent stock availability. This subprogramme had a staff complement of 184 in 2012/13.
- *Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure. Funding is distributed according to the number and size of units, systems and equipment operating requirements, and maintenance requirements. This subprogramme had a staff complement of 1 018 in 2012/13.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies. Funding is distributed according to the training inputs of the sub-units, equipment operating requirements, maintenance requirements, and the number of training courses presented to Southern African Development Community (SADC) countries. This subprogramme had a staff complement of 1 994 in 2012/13.

## Expenditure estimates

Table 22.17 Military Health Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Strategic Direction	169 080	196 630	225 687	393 981	32.6%	7.8%	243 779	235 291	249 393	-14.1%	7.6%
Mobile Military Health Support	74 095	112 777	97 547	119 423	17.2%	3.2%	113 345	187 637	184 888	15.7%	4.1%
Area Military Health Service	822 762	964 857	1 039 653	1 014 726	7.2%	30.4%	1 137 934	1 252 318	1 312 620	9.0%	31.8%
Specialist/Tertiary Health Service	895 471	1 038 226	1 134 715	1 156 787	8.9%	33.4%	1 216 579	1 215 270	1 244 766	2.5%	32.6%
Military Health Product Support Capability	169 787	167 874	256 103	231 632	10.9%	6.5%	316 013	281 203	296 770	8.6%	7.6%
Military Health Maintenance Capability	195 782	221 967	269 697	201 740	1.0%	7.0%	223 989	231 778	237 472	5.6%	6.0%
Military Health Training Capability	281 151	447 783	376 694	378 165	10.4%	11.7%	390 859	387 845	378 630	-	10.4%
<b>Total</b>	<b>2 608 128</b>	<b>3 150 114</b>	<b>3 400 096</b>	<b>3 496 454</b>	<b>10.3%</b>	<b>100.0%</b>	<b>3 642 498</b>	<b>3 791 342</b>	<b>3 904 539</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				179 947			127 393	98 829	42 170		

## Economic classification

	2 454 758	3 026 411	3 292 936	3 477 763	12.3%	96.8%	3 589 917	3 627 401	3 772 336	2.7%	97.5%
<b>Current payments</b>											
Compensation of employees	1 666 775	2 079 625	2 324 772	2 495 149	14.4%	67.7%	2 527 114	2 597 230	2 718 474	2.9%	69.7%
Goods and services	787 983	946 786	968 164	982 614	7.6%	29.1%	1 062 803	1 030 171	1 053 862	2.4%	27.8%
of which:											
Advertising	233	115	183	-	-100.0%	-	115	150	158	-	-
Assets less than the capitalisation threshold	12 946	8 778	8 909	25 642	25.6%	0.4%	27 162	35 830	38 410	14.4%	0.9%
Catering: Departmental activities	5 911	8 597	-	6 420	2.8%	0.2%	254	266	282	-64.7%	-
Communication	8 615	7 914	6 927	10 119	5.5%	0.3%	9 724	10 753	11 422	4.1%	0.3%
Computer services	36 042	56 775	32 054	55 684	15.6%	1.4%	65 169	57 954	55 155	-0.3%	1.6%
Consultants and professional services: Business and advisory services	17 600	15 092	10 816	22 467	8.5%	0.5%	9 885	10 605	11 276	-20.5%	0.4%
Consultants and professional services: Infrastructure and planning	308	333	414	-	-100.0%	-	-	978	870	-	-
Consultants and professional services: Laboratory services	11 671	20 406	21 695	10 633	-3.1%	0.5%	12 259	14 514	15 511	13.4%	0.4%
Contractors	295 165	375 534	439 470	260 328	-4.1%	10.8%	159 748	179 735	204 095	-7.8%	5.4%
Agency and support / outsourced services	24 113	21 424	29 438	86 149	52.9%	1.3%	269 999	228 155	237 746	40.3%	5.5%
Entertainment	154	123	134	-	-100.0%	-	60	188	191	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	1 120	2 473	2 650	-	-
Inventory: Food and food supplies	50 407	58 305	58 215	61 796	7.0%	1.8%	46 011	46 717	46 778	-8.9%	1.4%
Inventory: Fuel, oil and gas	12 317	11 425	17 648	1 955	-45.9%	0.3%	14 957	15 450	15 698	100.2%	0.3%
Inventory: Materials and supplies	(2 636)	(2 286)	2 484	70	-129.8%	-	2 006	9 970	10 831	436.9%	0.2%
Inventory: Medical supplies	214 367	98 619	78 187	247 010	4.8%	5.0%	81 827	91 727	74 923	-32.8%	3.3%
Inventory: Medicine	-	149 787	142 380	95 527	-	3.1%	190 931	191 395	185 826	24.8%	4.5%
Inventory: Military stores	-	-	-	78	-	-	279	516	541	90.7%	-
Inventory: Other consumables	17 508	29 461	31 781	28 191	17.2%	0.8%	27 443	32 699	35 027	7.5%	0.8%
Inventory: Stationery and printing	9 451	6 320	6 949	9 324	-0.4%	0.3%	10 276	12 904	13 687	13.6%	0.3%
Operating leases	7 159	4 936	4 806	7 934	3.5%	0.2%	8 656	9 484	10 017	8.1%	0.2%
Property payments	11 418	14 148	12 212	18 370	17.2%	0.4%	86 541	17 111	18 409	0.1%	0.9%
Travel and subsistence	38 022	41 433	43 437	8 112	-40.2%	1.0%	25 634	39 244	41 349	72.1%	0.8%
Training and development	5 814	9 950	11 947	16 250	40.9%	0.3%	4 221	4 524	5 225	-31.5%	0.2%
Operating payments	8 345	9 368	7 758	10 555	8.1%	0.3%	8 526	16 829	17 785	19.0%	0.4%
Venues and facilities	3 053	229	320	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>10 024</b>	<b>38 332</b>	<b>16 326</b>	<b>17 129</b>	<b>19.6%</b>	<b>0.6%</b>	<b>26 015</b>	<b>109 340</b>	<b>102 993</b>	<b>81.8%</b>	<b>1.7%</b>
Departmental agencies and accounts	1 771	24 700	7 135	4 411	35.6%	0.3%	5 174	86 718	80 488	163.3%	1.2%
Non-profit institutions	340	360	400	-	-100.0%	-	400	420	441	-	-
Households	7 913	13 272	8 791	12 718	17.1%	0.3%	20 441	22 202	22 064	20.2%	0.5%
<b>Payments for capital assets</b>	<b>113 678</b>	<b>82 676</b>	<b>89 278</b>	<b>1 562</b>	<b>-76.0%</b>	<b>2.3%</b>	<b>26 566</b>	<b>54 601</b>	<b>29 210</b>	<b>165.4%</b>	<b>0.8%</b>
Buildings and other fixed structures	19 979	927	-	330	-74.5%	0.2%	20	21	22	-59.5%	-
Machinery and equipment	93 627	81 678	89 236	1 227	-76.4%	2.1%	13 648	51 352	29 182	187.6%	0.6%
Specialised military assets	-	-	-	5	-	-	5	5	6	6.3%	-
Biological assets	-	71	42	-	-	-	-	-	-	-	-
Software and other intangible assets	72	-	-	-	-100.0%	-	12 893	3 223	-	-	0.1%
<b>Payments for financial assets</b>	<b>29 668</b>	<b>2 695</b>	<b>1 556</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 608 128</b>	<b>3 150 114</b>	<b>3 400 096</b>	<b>3 496 454</b>	<b>10.3%</b>	<b>100.0%</b>	<b>3 642 498</b>	<b>3 791 342</b>	<b>3 904 539</b>	<b>3.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	8.3%	10.3%	9.9%	9.2%			9.1%	8.9%	8.7%		

## Details of transfers and subsidies

Departmental agencies and accounts											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1 771</b>	<b>24 700</b>	<b>7 135</b>	<b>4 411</b>	<b>35.6%</b>	<b>0.3%</b>	<b>5 174</b>	<b>86 718</b>	<b>80 488</b>	<b>163.3%</b>	<b>1.2%</b>
Special defence account	1 771	24 700	7 135	4 411	35.6%	0.3%	5 174	86 718	80 488	163.3%	1.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>7 913</b>	<b>13 272</b>	<b>8 791</b>	<b>12 718</b>	<b>17.1%</b>	<b>0.3%</b>	<b>20 441</b>	<b>22 202</b>	<b>22 064</b>	<b>20.2%</b>	<b>0.5%</b>
Employee social benefits	7 913	13 272	8 791	12 718	17.1%	0.3%	20 441	22 202	22 064	20.2%	0.5%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>340</b>	<b>360</b>	<b>400</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>400</b>	<b>420</b>	<b>441</b>	<b>-</b>	<b>-</b>
St Johns Ambulance Brigade	340	360	400	-	-100.0%	-	400	420	441	-	-

## Personnel information

Table 22.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Military Health Support</b>																			
Salary level	9 371	-	9 154	2 324.8	0.3	9 371	2 495.1	0.3	8 224	2 527.1	0.3	7 932	2 597.2	0.3	7 543	2 718.5	0.4	-7.0%	100.0%
1 – 6	5 485	-	5 375	838.5	0.2	5 485	887.4	0.2	4 448	833.0	0.2	4 245	846.2	0.2	3 967	831.6	0.2	-10.2%	54.9%
7 – 10	3 771	-	3 689	1 413.6	0.4	3 771	1 513.0	0.4	3 661	1 591.0	0.4	3 572	1 645.1	0.5	3 447	1 755.1	0.5	-3.0%	43.7%
11 – 12	97	-	72	51.8	0.7	97	73.0	0.8	97	79.9	0.8	97	82.8	0.9	112	107.7	1.0	4.9%	1.2%
13 – 16	18	-	18	20.8	1.2	18	21.9	1.2	18	23.2	1.3	18	23.1	1.3	17	24.1	1.4	-1.9%	0.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the department's capability to provide operational, tertiary and specialist health support, and the maintenance of health facilities.

The growth between 2009/10 and 2012/13 was attributable to the procurement of pharmaceuticals, the provision of additional health care for the members of the military skills development system, the provision of allowances for health professionals with scarce skills and those who work in rural areas, improvements to the health information system, the rollout of antiretroviral treatment, and sustaining the presidential health team. The significant increase in agency and support and outsourced services in 2012/13 was due to the referral of patients for treatment at private sector facilities. This increased spending in the *Strategic Direction* subprogramme between 2009/10 and 2012/13 was due to an internal reallocation of funds in 2012/13 to acquire medicine. Expenditure on compensation of employees increased between 2009/10 to 2012/13 due to the implementation of the military salary dispensation.

Over the medium term, the *Mobile Military Health Support* subprogramme is expected to grow based on the development and delivery milestones of the project responsible for defence against chemical and biological warfare. This is also the reason for the projected increases in transfer payments over the same period, as most of the funds for this purpose are transferred to the special defence account. The increased expenditure in the *Area Military Health* subprogramme is due to the procurement of additional medicine and the maintenance of equipment, which also accounts for the increased expenditure on medicine as well as agency and support/outsourced services under goods and services.

Expenditure on computer services grew between 2009/10 to 2012/13, and is expected to decrease over the medium term due to the development and roll out of the health informatics system, which will reach its peak activity period in 2013/14. The department plans to spend R75.9 million on consultants over the medium term, mainly to provide laboratory services related to medical procedures, a highly specialised service.

The programme has a funded establishment of 9 371 posts. Personnel numbers are projected to decrease to 7 543 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Programme 7: Defence Intelligence

### Objectives

- The detail of the output of the *Defence Intelligence* programme is classified.

### Subprogrammes

- *Strategic Direction* provides defence intelligence policy, doctrine and intelligence advice in support of the department's decision making and policy formulation processes. Funding is based on the cost of operating

the defence intelligence headquarters. In support of government's peace initiatives, the division remains involved in peace processes in Africa by providing intelligence on the current security situation.

- *Operations* provides timely defence prediction, intelligence, and counterintelligence capabilities and services. Defence related national strategic intelligence is provided to the highest level of decision makers through briefings to the president, the council on defence and the inter-ministerial security committee. Funding is distributed based on the number and size of intelligence offices, systems and equipment operating requirements, maintenance requirements, and the requirements for producing intelligence. In 2012/13, R421 million was used for capital acquisition. This subprogramme had no staff complement in 2012/13.
- *Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community. Funding is distributed according to the number and size of units and offices, equipment and operating requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 769 in 2012/13.

## Expenditure estimates

Table 22.19 Defence Intelligence

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13 - 2015/16	2013/14	2014/15	2015/16		
R thousand											
Strategic Direction	1 360	157	110	32	-71.3%	0.1%	113	116	120	55.4%	-
Operations	392 506	397 561	407 417	424 006	2.6%	62.5%	458 592	477 426	496 648	5.4%	60.1%
Defence Intelligence Support Services	200 837	236 135	245 586	288 109	12.8%	37.4%	303 700	312 316	329 054	4.5%	39.9%
<b>Total</b>	<b>594 703</b>	<b>633 853</b>	<b>653 113</b>	<b>712 147</b>	<b>6.2%</b>	<b>100.0%</b>	<b>762 405</b>	<b>789 858</b>	<b>825 822</b>	<b>5.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2 484			21 930	11 351	11 504		

### Economic classification

Current payments	192 537	222 359	239 947	283 319	13.7%	36.2%	313 226	322 039	340 554	6.3%	40.7%
Compensation of employees	173 341	205 303	224 723	261 968	14.8%	33.4%	282 460	291 567	307 138	5.4%	37.0%
Goods and services	19 196	17 056	15 224	21 351	3.6%	2.8%	30 766	30 472	33 416	16.1%	3.8%
of which:											
Advertising	5	6	13	90	162.1%	-	90	93	95	1.8%	-
Assets less than the capitalisation threshold	892	418	439	634	-10.8%	0.1%	993	1 017	1 078	19.4%	0.1%
Catering: Departmental activities	114	125	-	66	-16.7%	-	78	80	83	7.9%	-
Communication	1 671	1 188	1 284	1 826	3.0%	0.2%	1 211	1 263	1 316	-10.3%	0.2%
Computer services	-	148	-	-	-	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	2 423	2 615	1	-	-100.0%	0.2%	-	-	-	-	-
Contractors	1 838	1 825	1 610	5 001	39.6%	0.4%	2 384	1 581	3 320	-12.8%	0.4%
Agency and support / outsourced services	20	217	164	60	44.2%	-	60	62	64	2.2%	-
Entertainment	20	62	58	93	66.9%	-	93	95	98	1.8%	-
Fleet services (including government motor transport)	-	-	-	-	-	-	24	25	26	-	-
Inventory: Food and food supplies	2 312	1 430	1 883	2 165	-2.2%	0.3%	2 154	2 230	2 284	1.8%	0.3%
Inventory: Fuel, oil and gas	1 091	1 176	1 602	1 730	16.6%	0.2%	1 742	1 795	1 849	2.2%	0.2%
Inventory: Materials and supplies	170	328	200	299	20.7%	-	255	262	271	-3.2%	-
Inventory: Other consumables	839	622	904	661	-7.6%	0.1%	723	745	767	5.1%	0.1%
Inventory: Stationery and printing	856	706	857	1 288	14.6%	0.1%	14 437	15 150	15 896	131.1%	1.5%
Operating leases	356	453	489	622	20.4%	0.1%	490	505	520	-5.8%	0.1%
Property payments	28	17	17	90	47.6%	-	540	562	573	85.3%	0.1%
Travel and subsistence	2 663	2 744	2 604	3 906	13.6%	0.5%	2 246	1 658	1 722	-23.9%	0.3%
Training and development	2 886	2 531	2 664	2 333	-6.8%	0.4%	2 221	2 290	2 360	0.4%	0.3%
Operating payments	395	361	192	414	1.6%	0.1%	1 025	1 059	1 094	38.3%	0.1%
Venues and facilities	617	84	243	73	-50.9%	-	-	-	-	-100.0%	-
<b>Transfers and subsidies</b>	<b>399 503</b>	<b>404 628</b>	<b>409 345</b>	<b>425 387</b>	<b>2.1%</b>	<b>63.2%</b>	<b>445 637</b>	<b>464 171</b>	<b>481 512</b>	<b>4.2%</b>	<b>58.8%</b>
Departmental agencies and accounts	391 540	396 779	406 696	420 565	2.4%	62.3%	441 890	460 424	477 765	4.3%	58.3%
Households	7 963	7 849	2 649	4 822	-15.4%	0.9%	3 747	3 747	3 747	-8.1%	0.5%
<b>Payments for capital assets</b>	<b>2 663</b>	<b>6 861</b>	<b>3 719</b>	<b>3 441</b>	<b>8.9%</b>	<b>0.6%</b>	<b>3 542</b>	<b>3 648</b>	<b>3 756</b>	<b>3.0%</b>	<b>0.5%</b>
Machinery and equipment	2 663	6 861	3 719	3 441	8.9%	0.6%	3 542	3 648	3 756	3.0%	0.5%
<b>Payments for financial assets</b>	<b>-</b>	<b>5</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>594 703</b>	<b>633 853</b>	<b>653 113</b>	<b>712 147</b>	<b>6.2%</b>	<b>100.0%</b>	<b>762 405</b>	<b>789 858</b>	<b>825 822</b>	<b>5.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.9%	2.1%	1.9%	1.9%			1.9%	1.8%	1.8%		

### Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	391 540	396 779	406 696	420 565	2.4%	62.3%	441 890	460 424	477 765	4.3%	58.3%
Special defence account	391 540	396 779	406 696	420 565	2.4%	62.3%	441 890	460 424	477 765	4.3%	58.3%
Households											
Social benefits											
Current	7 963	7 849	2 649	4 822	-15.4%	0.9%	3 747	3 747	3 747	-8.1%	0.5%
Employee social benefits	7 963	7 849	2 649	4 822	-15.4%	0.9%	3 747	3 747	3 747	-8.1%	0.5%

## Personnel information

Table 22.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Defence Intelligence																			
Salary level	769	–	734	224.7	0.3	769	262.0	0.3	841	282.5	0.3	822	291.6	0.4	790	307.1	0.4	0.9%	100.0%
1 – 6	206	–	185	31.8	0.2	206	38.8	0.2	238	45.4	0.2	229	46.0	0.2	220	48.2	0.2	2.2%	27.7%
7 – 10	494	–	489	154.7	0.3	494	175.9	0.4	534	189.6	0.4	524	195.5	0.4	503	205.8	0.4	0.6%	63.8%
11 – 12	51	–	42	23.5	0.6	51	30.5	0.6	51	30.7	0.6	51	32.3	0.6	49	33.8	0.7	-1.3%	6.3%
13 – 16	18	–	18	14.8	0.8	18	16.7	0.9	18	16.8	0.9	18	17.7	1.0	18	19.3	1.1	–	2.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus will be on providing defence intelligence in support of government's initiatives.

Expenditure in the *Operations* subprogramme increased between 2009/10 and 2012/13 due to the development of a strategic information collection capability, and also because of the new salary dispensation for military members. The latter item also explains the increase in expenditure on compensation of employees over the same period. Expenditure on contractors between 2009/10 and 2012/13 is related to the maintenance programme of the defence intelligence headquarters and the defence intelligence college. As the maintenance programme is finalised expenditure on this item decreases from 2012/13 to 2015/16.

Over the medium term, expenditure on inventory, stationery and printing is expected to increase due to the provision of training and training materials to the forces of the Democratic Republic of the Congo.

The programme has a funded establishment of 769 posts. Personnel numbers are projected to increase to 790 in 2015/16 to provide for the further development of the programme's strategic information collection capability.

## Programme 8: General Support

### Objectives

- Provide ongoing general support capabilities and services by:
  - providing appropriate, ready and sustained matériel, facilities, movement and logistic services focusing on supply chain and life cycle management to enable the defence mandate
  - providing new and replacing infrastructure assets through 22 projects
  - carrying out maintenance, repairs, rehabilitation, renovations and refurbishments through 46 projects.
- Provide the department with key information and communication systems over the medium term by:
  - ensuring that the defence information and communications infrastructure is available 98 per cent of the time
  - providing information and communication system solutions, in accordance with the master plan for the defence enterprise information system, and in line with programme and project milestones and associated deliverables.
- Provide a military policing capability to the department over the medium term by:
  - finalising 10 per cent more criminal cases than in 2011/12
  - conducting 372 deliberate crime prevention operations per year
  - sustaining 13 provost company for operational deployment on an ongoing basis
  - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and investigation of criminal cases

- sustaining 2 military correctional facilities for detention and rehabilitation.

## Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, and main equipment and stores; and for the defence works capability, the capital works programme and the defence facility refurbishment programme. Funding is distributed according to the number and size of units, use and warehousing requirements for ammunition main equipment and stores, the defence facility refurbishment programme, and the number of training courses. This subprogramme had a staff complement of 3 044 in 2012/13.
- *Command and Management Information Systems* provides command and management information systems and related services to the department. This entails providing information systems and communications infrastructure in relation to solutions, operating systems, continuous maintenance and upgrading requirements for the department. Funding is distributed according to the number and size of mainframe systems, the communications infrastructure operated by the department, and maintenance and upgrading requirements. This subprogramme had a staff complement of 143 in 2012/13.
- *Military Police* provides a military policing capability for the department. Military police members support external operations, conduct crime prevention operations across the country and provide functional training at the military police school. This subprogramme had a staff complement of 1 736 in 2012/13.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry. In 2012/13, R327 million was used for capital acquisition. This subprogramme had no staff complement in 2012/13.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges. In 2012/13, R895 million was transferred to the Armaments Corporation of South Africa. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 22.21 General Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Joint Logistic Services	1 605 264	1 478 199	1 576 959	2 130 048	9.9%	41.5%	2 253 296	2 330 907	2 446 882	4.7%	45.8%
Command and Management Information Systems	830 111	782 664	835 624	930 933	3.9%	20.6%	935 505	993 607	1 085 475	5.3%	19.7%
Military Police	344 996	412 010	442 387	452 098	9.4%	10.1%	476 463	489 546	503 231	3.6%	9.6%
Technology Development	258 271	357 753	339 865	328 547	8.4%	7.8%	348 628	350 359	303 749	-2.6%	6.7%
Departmental Support	598 702	774 809	913 110	974 751	17.6%	19.9%	830 952	893 707	959 487	-0.5%	18.3%
<b>Total</b>	<b>3 637 344</b>	<b>3 805 435</b>	<b>4 107 945</b>	<b>4 816 377</b>	<b>9.8%</b>	<b>100.0%</b>	<b>4 844 844</b>	<b>5 058 126</b>	<b>5 298 824</b>	<b>3.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(261 026)			(132 724)	(177 969)	(178 131)		

### Economic classification

	2 048 273	2 393 961	2 452 366	3 362 554	18.0%	62.7%	3 536 655	3 654 596	3 831 254	4.4%	71.9%
<b>Current payments</b>											
Compensation of employees	767 647	973 799	1 104 049	1 242 726	17.4%	25.0%	1 571 765	1 571 761	1 742 408	11.9%	30.6%
Goods and services	1 280 626	1 420 162	1 348 317	2 119 828	18.3%	37.7%	1 964 890	2 082 835	2 088 846	-0.5%	41.2%
of which:											
Administration fees	1 806	1 632	1 677	4 221	32.7%	0.1%	2 132	2 145	2 252	-18.9%	0.1%
Advertising	36	92	103	34	-1.9%	-	54	54	55	17.4%	-
Assets less than the capitalisation threshold	9 430	8 289	12 649	6 339	-12.4%	0.2%	16 456	17 357	18 744	43.5%	0.3%
Audit cost: External	46 442	49 972	56 429	58 079	7.7%	1.3%	62 144	66 495	69 819	6.3%	1.3%
Catering: Departmental activities	13 101	14 692	-	20 587	16.3%	0.3%	10 128	10 230	10 255	-20.7%	0.3%
Communication	10 132	4 939	8 448	10 010	-0.4%	0.2%	12 076	12 616	13 208	9.7%	0.2%
Computer services	597 509	579 942	585 915	731 886	7.0%	15.2%	565 606	652 804	587 965	-7.0%	12.7%
Consultants and professional services: Business and advisory services	199 046	225 077	168 264	108 633	-18.3%	4.3%	91 207	88 606	94 019	-4.7%	1.9%
Consultants and professional services: Infrastructure and planning	801	132	4 376	5 054	84.8%	0.1%	29 884	31 971	34 162	89.1%	0.5%
Consultants and professional services: Legal costs	635	1 568	1 029	8 844	140.6%	0.1%	9 290	9 755	10 242	5.0%	0.2%
Contractors	311 742	413 787	341 609	855 896	40.0%	11.7%	119 784	118 736	136 253	-45.8%	6.1%
Agency and support / outsourced services	495	3 400	19 783	546	3.3%	0.1%	29 438	32 404	33 417	294.1%	0.5%
Entertainment	7	97	68	628	347.7%	-	755	785	835	10.0%	-

Table 22.21 General Support (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand										
<i>Fleet services (including government motor transport)</i>	–	–	–	–	–	–	144	150	159	–	–
<i>Inventory: Food and food supplies</i>	27 716	30 019	34 127	202 596	94.1%	1.8%	44 359	46 796	48 573	-37.9%	1.7%
<i>Inventory: Fuel, oil and gas</i>	13 757	12 685	16 433	10 224	-9.4%	0.3%	24 443	25 265	26 217	36.9%	0.4%
<i>Inventory: Materials and supplies</i>	4 579	6 874	8 355	3 362	-9.8%	0.1%	7 696	7 335	7 728	32.0%	0.1%
<i>Inventory: Medical supplies</i>	–	2	–	–	–	–	–	–	–	–	–
<i>Inventory: Military stores</i>	203	348	529	412	26.6%	–	711	749	794	24.4%	–
<i>Inventory: Other consumables</i>	4 062	8 259	5 151	4 454	3.1%	0.1%	8 747	9 069	9 349	28.0%	0.2%
<i>Inventory: Stationery and printing</i>	4 254	4 705	4 995	4 779	4.0%	0.1%	6 361	6 465	6 910	13.1%	0.1%
<i>Operating leases</i>	2 374	2 390	2 551	3 420	12.9%	0.1%	3 825	3 986	4 990	13.4%	0.1%
<i>Property payments</i>	363	394	1 160	1 432	58.0%	–	827 093	842 161	871 331	747.4%	12.7%
<i>Travel and subsistence</i>	18 636	26 561	39 515	18 391	-0.4%	0.6%	35 323	36 051	36 877	26.1%	0.6%
<i>Training and development</i>	10 434	21 021	31 692	56 425	75.5%	0.7%	47 465	50 390	53 694	-1.6%	1.0%
<i>Operating payments</i>	2 306	2 997	2 950	2 669	5.0%	0.1%	9 769	10 460	10 998	60.3%	0.2%
<i>Venues and facilities</i>	760	288	509	907	6.1%	–	–	–	–	-100.0%	–
<b>Transfers and subsidies</b>	<b>876 107</b>	<b>997 585</b>	<b>1 107 369</b>	<b>1 173 547</b>	<b>10.2%</b>	<b>25.4%</b>	<b>1 141 050</b>	<b>1 213 103</b>	<b>1 262 094</b>	<b>2.5%</b>	<b>23.9%</b>
Departmental agencies and accounts	365 073	438 285	467 576	495 903	10.7%	10.8%	365 991	380 351	369 682	-9.3%	8.1%
Public corporations and private enterprises	498 755	544 069	630 804	666 124	10.1%	14.3%	755 636	814 650	874 310	9.5%	15.5%
Households	12 279	15 231	8 989	11 520	-2.1%	0.3%	19 423	18 102	18 102	16.3%	0.3%
<b>Payments for capital assets</b>	<b>707 167</b>	<b>279 280</b>	<b>343 273</b>	<b>132 178</b>	<b>-42.8%</b>	<b>8.9%</b>	<b>167 139</b>	<b>190 427</b>	<b>205 476</b>	<b>15.8%</b>	<b>3.5%</b>
Buildings and other fixed structures	544 267	229 025	265 666	99 254	-43.3%	7.0%	104 216	109 427	114 899	5.0%	2.1%
Machinery and equipment	162 900	50 223	77 551	21 614	-49.0%	1.9%	36 864	49 573	53 915	35.6%	0.8%
Specialised military assets	–	19	–	11 310	–	0.1%	25 999	31 367	36 602	47.9%	0.5%
Software and other intangible assets	–	13	56	–	–	–	60	60	60	–	–
<b>Payments for financial assets</b>	<b>5 797</b>	<b>134 609</b>	<b>204 937</b>	<b>148 098</b>	<b>194.5%</b>	<b>3.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.7%</b>
<b>Total</b>	<b>3 637 344</b>	<b>3 805 435</b>	<b>4 107 945</b>	<b>4 816 377</b>	<b>9.8%</b>	<b>100.0%</b>	<b>4 844 844</b>	<b>5 058 126</b>	<b>5 298 824</b>	<b>3.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.6%</b>	<b>12.5%</b>	<b>12.0%</b>	<b>12.7%</b>			<b>12.0%</b>	<b>11.8%</b>	<b>11.7%</b>		

## Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	365 073	438 285	467 576	495 903	10.7%	10.8%	365 991	380 351	369 682	-9.3%	8.1%
Special defence account	365 073	438 285	467 576	495 903	10.7%	10.8%	365 991	380 351	369 682	-9.3%	8.1%
Households											
Social benefits											
Current	12 279	15 231	8 989	11 520	-2.1%	0.3%	19 423	18 102	18 102	16.3%	0.3%
Employee social benefits	12 279	15 231	8 989	11 520	-2.1%	0.3%	19 423	18 102	18 102	16.3%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	498 755	544 069	630 804	666 124	10.1%	14.3%	755 636	814 650	874 310	9.5%	15.5%
Armaments Corporation of South Africa	498 755	544 069	630 804	666 124	10.1%	14.3%	755 636	814 650	874 310	9.5%	15.5%

## Personnel information

Table 22.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16									
<b>General Support</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	4 998	–	4 914	1 104.0	0.2	4 998	1 242.7	0.2	5 065	1 571.8	0.3	4 957	1 571.8	0.3	4 737	1 742.4	0.4	-1.8%	100.0%
1 – 6	3 206	–	3 131	538.9	0.2	3 206	613.2	0.2	3 279	693.0	0.2	3 215	703.3	0.2	3 074	744.6	0.2	-1.4%	64.7%
7 – 10	1 675	–	1 680	501.3	0.3	1 675	551.2	0.3	1 669	729.3	0.4	1 626	723.4	0.4	1 548	815.8	0.5	-2.6%	33.0%
11 – 12	93	–	78	43.7	0.6	93	57.3	0.6	93	108.2	1.2	92	104.8	1.1	91	131.2	1.4	-0.7%	1.9%
13 – 16	24	–	25	20.0	0.8	24	20.9	0.9	24	41.3	1.7	24	40.1	1.7	24	50.9	2.1	–	0.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus will be on providing general support capabilities, consolidating and sustaining the works capability, and providing key information, communication systems and a military policing

capability. Over the same period a budget reduction of R63.9 million under contractors is evident as part of the Cabinet approved reductions that were effected.

Expenditure in the *Command and Management Information Services* subprogramme is expected to increase over the medium term due to the peak in the delivery and completion of a static and mobile defence communication network in 2015/16.

Expenditure on compensation of employees increased between 2009/10 and 2012/13 due to the implementation of the military salary dispensation. Expenditure on consultants and professional services also increased over the same period due to the project that verifies defence assets. The project is to be concluded in 2013/14. Between 2009/10 and 2012/13, expenditure on contractors decreased and property payments increased due to a reclassification of spending between these items. The large allocation for the food and food supplies inventory in 2012/13 was due to a once-off allocation for the newly established defence works formation. Expenditure on training and development between 2009/10 and 2012/13 provided for the training of technicians and artisans. The training will be continued over the medium term. Payment for capital assets over the same period decreased due to the completion of the upgrade of the runway at Air Force Base Waterkloof in 2012/13, while payments over the medium term provide for the replacement of heavy trucks, machinery and forklifts used at logistic depots.

R399.1 million is allocated over the medium term for spending on consultants, who will conduct information warfare research, provide legal advice and services, and verify defence assets, all of which require specialised skills. Spending on consultants for infrastructure and planning work under goods and services increased significantly in 2012/13 due to work being done in conjunction with the Council for Scientific and Industrial Research to establish a joint interim operations centre. The purpose of this centre is to manage the migration of all the functions and responsibilities relating to facilities management and maintenance from the Department of Public Works to the Department of Defence.

The programme has a funded establishment of 4 998 posts. Personnel numbers are projected to decrease to 4 737 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Other departments within the vote

### Department of Military Veterans

#### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	139.5	129.5	–	10.0	163.7	153.1
Socio Economic Support Services	135.5	135.5	–	–	182.5	283.5
Empowerment and Stakeholder Management	76.5	76.5	–	–	157.9	170.2
<b>Total expenditure estimates</b>	<b>351.4</b>	<b>341.4</b>	<b>–</b>	<b>10.0</b>	<b>504.2</b>	<b>606.8</b>

Executive authority Minister of Defence and Military Veterans  
 Accounting officer Director General of Military Veterans  
 Website address [www.militaryveterans.co.za](http://www.militaryveterans.co.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

#### Aim

*Formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa.*

#### Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act 18 of 2011, which requires it to provide national policy and standards on socioeconomic support to military veterans and to their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient military veterans' community.

## Strategic goals

The department's strategic goals over the medium term are to:

- coordinate and facilitate the provision of socioeconomic support services to military veterans
- manage and coordinate military veterans' empowerment and stakeholder relations services
- ensure that the needs of military veterans and their dependants are addressed.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide management and strategic administrative support to the ministry, and overall management of the department.

### Programme 2: Socio Economic Support Services

**Purpose:** Develop and monitor the implementation of legislation, policy frameworks and service level agreements on primary and secondary health care services, home based care services, wellness and counselling services, and prevention and support services.

### Programme 3: Empowerment and Stakeholder Management

**Purpose:** Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

## Selected performance indicators

Table 22.23 Military Veterans

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of deserving military veterans with access to dedicated counselling and medical treatment	Socio Economic Support Services	Outcome 2: A long and healthy life for all South Africans	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	1 000 <sup>2</sup>	1 000	2 000	3 000
Total number of deserving military veterans with access to health care services	Socio Economic Support Services		- <sup>1</sup>	- <sup>1</sup>	200	10 000	10 000	13 000	16 000
Number of deserving military veterans with decent housing per year	Socio Economic Support Services	Outcome 8: Sustainable human settlements and improved quality of household life	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	5 000	1 500	4 500	5 500
Number of events honouring military veterans per year	Empowerment and Stakeholder Management	Outcome 3: All people In South Africa are and feel safe	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	9	3	- <sup>2</sup>	- <sup>2</sup>
Number of military veterans' memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 6: An efficient, competitive and responsive infrastructure network	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2	1	2	4
Number of deserving military veterans accessing training and skills development per year	Empowerment and Stakeholder Management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2 000	2 000	2 500	3 000
Number of private sector companies and organs of state in partnership with the department per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	10	10	10	10

<sup>1</sup> These indicators were introduced between 2011/12 and 2012/13.

<sup>2</sup> The current year targets included in this table are as reflected in the 2012 ENE. The estimated achievement by the end of the year will be lower than the set targets based on the current level of performance, which was mainly due to lack of financial resources and human capital.

## Expenditure estimates

Table 22.24 Military Veterans

Programme	Audited outcome			Adjusted appropriation 2012/13	Revised estimate	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
R thousand												
Administration	-	20 000	45 370	30 687	30 687	-	57.6%	139 469	163 745	153 121	70.9%	31.1%
Socio Economic Support Services	-	-	-	21 136	21 136	-	12.7%	135 504	182 506	283 541	137.6%	39.8%
Empowerment and Stakeholder Management	-	-	-	49 580	49 580	-	29.7%	76 458	157 909	170 179	50.8%	29.0%
<b>Total</b>	<b>-</b>	<b>20 000</b>	<b>45 370</b>	<b>101 403</b>	<b>101 403</b>	<b>-</b>	<b>100.0%</b>	<b>351 431</b>	<b>504 160</b>	<b>606 841</b>	<b>81.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				50 196	50 196			300 490	450 672	550 893		

Table 22.24 Military Veterans (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
	R thousand	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Current payments</b>	-	19 300	45 370	98 903	98 903		98.1%	341 431	496 244	603 841	82.8%	98.5%
Compensation of employees	-	6 000	18 000	24 702	24 702		29.2%	80 603	98 850	103 396	61.2%	19.7%
Goods and services	-	13 300	27 370	74 201	74 201		68.9%	260 828	397 394	500 445	88.9%	78.8%
of which:												
Administration fees	-	-	-	-	-			100	150	200		0.0%
Advertising	-	-	-	-	-			1 073	750	950		0.2%
Assets less than the capitalisation threshold	-	-	342	1 878	1 878		1.3%	5 304	3 699	2 875	15.3%	0.9%
Audit cost: External	-	-	-	786	786		0.5%	2 357	2 460	3 348	62.1%	0.6%
Bursaries: Employees	-	-	-	-	-			351	336	1 572		0.1%
Catering: Departmental activities	-	-	-	2 627	2 627		1.6%	3 869	5 046	4 952	23.5%	1.1%
Communication	-	-	439	2 158	2 158		1.6%	4 552	9 682	15 561	93.2%	2.0%
Computer services	-	300	-	573	573		0.5%	664	2 161	2 692	67.5%	0.4%
Consultants and professional services:	-	-	43	3 444	3 444		2.1%	20 333	16 198	20 756	82.0%	3.9%
Business and advisory services	-	-	-	-	-			-	-	-		
Consultants and professional services:	-	-	-	-	-			58 877	62 032	27 982		9.5%
Infrastructure and planning	-	-	-	-	-			-	-	-		
Consultants and professional services:	-	-	-	4 781	4 781		2.9%	19 860	29 780	31 149	86.8%	5.5%
Laboratory services	-	-	-	-	-			-	100	1 633		0.1%
Consultants and professional services: Legal costs	-	-	-	-	-			-	-	-		
Contractors	-	-	6 059	-	-		3.6%	-	-	-		
Agency and support / outsourced services	-	-	920	-	-		0.6%	-	-	-		
Entertainment	-	-	88	392	392		0.3%	478	728	879	30.9%	0.2%
Fleet services (including government motor transport)	-	-	-	-	-			-	14	1 314		0.1%
Housing	-	-	-	-	-			60 000	105 000	200 000		23.3%
Inventory: Food and food supplies	-	300	21	99	99		0.3%	151	852	680	90.1%	0.1%
Inventory: Fuel, oil and gas	-	-	10	508	508		0.3%	1 988	3 980	3 391	88.3%	0.6%
Inventory: Materials and supplies	-	-	9	487	487		0.3%	889	690	741	15.0%	0.2%
Inventory: Other consumables	-	-	3 182	34 220	34 220		22.4%	17 764	323	190	-82.3%	3.4%
Inventory: Stationery and printing	-	11 600	286	372	372		7.4%	2 743	1 463	1 995	75.0%	0.4%
Operating leases	-	800	72	-	-		0.5%	-	-	-		
Property payments	-	-	-	2 166	2 166		1.3%	2 060	3 848	2 420	3.8%	0.7%
Travel and subsistence	-	-	11 782	13 256	13 256		15.0%	25 999	83 789	93 775	92.0%	13.9%
Training and development	-	-	295	5 043	5 043		3.2%	22 280	52 262	65 056	134.5%	9.2%
Operating payments	-	-	233	-	-		0.1%	500	-	-		0.0%
Venues and facilities	-	-	3 589	1 116	1 116		2.8%	6 552	11 120	13 866	131.6%	2.1%
Rental and hiring	-	300	-	295	295		0.4%	2 084	931	2 468	103.0%	0.4%
<b>Payments for capital assets</b>	-	700	-	2 500	2 500		1.9%	10 000	7 916	3 000	6.3%	1.5%
Machinery and equipment	-	700	-	2 500	2 500		1.9%	10 000	7 916	3 000	6.3%	1.5%
<b>Total</b>	-	20 000	45 370	101 403	101 403		100.0%	351 431	504 160	606 841	81.6%	100.0%

## Personnel information

Table 22.25 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
		2011/12		2012/13		2013/14			2014/15			2015/16			2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost		
<b>Military Veterans</b>		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	27	6	-	-	27	24.7	0.9	135	80.6	0.6	169	98.8	0.6	169	103.4	0.6	84.3%	100.0%
1-6	4	-	-	-	4	1.0	0.3	19	4.4	0.2	37	9.3	0.3	37	9.7	0.3	109.9%	19.4%
7-10	3	6	-	-	3	1.4	0.5	42	15.0	0.4	54	20.5	0.4	54	21.5	0.4	162.1%	30.6%
11-12	8	-	-	-	8	6.1	0.8	45	29.3	0.7	47	32.7	0.7	47	34.2	0.7	80.4%	29.4%
13-16	12	-	-	-	12	16.2	1.4	29	32.0	1.1	31	36.2	1.2	31	38.0	1.2	37.2%	20.6%

<sup>1</sup> Data has been provided by the department and may not necessarily reconcile with official government personnel data.

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the filling of critical posts and supporting the delivery of benefits to military veterans. As a result, spending across all three programmes is expected to increase significantly as the department builds up sufficient capacity to deliver on its mandate following the enactment of the Military Veterans Act (2011).

The projected increase in expenditure over the medium term in the *Administration* programme is to provide for the development and implementation of the required ICT and security services, legal services, policies and procedures, and communication and marketing of the military veterans programmes under the *Management* subprogramme; external and internal audit consultancy services under the *Internal Audit* subprogramme; and funding for the provision of the infrastructure projects under the *Office Accommodation* subprogramme. The decrease in expenditure in the *Administration* programme in 2015/16 is linked to the decrease in the allocation for infrastructure projects under the *Office Accommodation* subprogramme, as most of the projects will be completed by then. The projected increase in expenditure on the *Socio Economic Support Services* programme over the medium term is focused on the provision of 11 500 housing units to military veterans, dedicated health counselling and treatment to 6 000 military veterans, and to provide access to health care services for 39 000 deserving military veterans. The projected increase in expenditure in the *Empowerment and Stakeholder Management* programme from 2012/13 and over the medium term is focused on the provision of 3 honouring functions and the erection of 7 memorials sites, and training and skills development of 7 500 military veterans.

Expenditure on consultants is expected to increase over the medium term to provide for the development, implementation and maintenance of the department's ICT systems, and the acquisition of professional services such as internal and external audit, financial, legal, cleaning and security management, and military veterans' health assessment and health care.

To improve the department's internal and external efficiency and ensure that it allocates funds efficiently, diagnostic studies and organisational reviews will be conducted in 2013/14, with the aim of aligning capabilities to the mandate. These will mainly be in the areas of monitoring and evaluation as well as communication.

As at 30 September 2012 there were 27 funded posts, all of which were filled. The department is planning to increase the number of posts filled to 169 over the MTEF period.

## Programme 1: Administration

### Expenditure estimates

Table 22.26 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Management	-	20 000	45 370	23 221	-	92.2%	48 032	65 364	82 723	52.7%	45.0%
Financial Administration	-	-	-	3 732	-	3.9%	14 524	19 488	27 246	94.0%	13.3%
Internal Audit	-	-	-	1 867	-	1.9%	4 997	6 977	10 152	75.8%	4.9%
Office Accommodation	-	-	-	1 867	-	1.9%	71 916	71 916	33 000	160.5%	36.7%
<b>Total</b>	<b>-</b>	<b>20 000</b>	<b>45 370</b>	<b>30 687</b>	<b>-</b>	<b>100.0%</b>	<b>139 469</b>	<b>163 745</b>	<b>153 121</b>	<b>70.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				30 687			139 469	163 745	153 121		
<b>Economic classification</b>											
<b>Current payments</b>	<b>-</b>	<b>19 300</b>	<b>45 370</b>	<b>29 340</b>	<b>-</b>	<b>97.9%</b>	<b>129 469</b>	<b>155 829</b>	<b>150 121</b>	<b>72.3%</b>	<b>95.4%</b>
Compensation of employees	-	6 000	18 000	15 382	-	41.0%	42 470	49 829	52 121	50.2%	32.8%
Goods and services	-	13 300	27 370	13 958	-	56.9%	86 999	106 000	98 000	91.5%	62.6%
of which:											
Administration fees	-	-	-	-	-	-	100	150	200	-	0.1%
Advertising	-	-	-	-	-	-	1 073	750	950	-	0.6%
Assets less than the capitalisation threshold	-	-	342	822	-	1.2%	891	1 316	947	4.8%	0.8%
Audit cost: External	-	-	-	786	-	0.8%	2 357	2 460	3 348	62.1%	1.8%
Bursaries: Employees	-	-	-	-	-	-	351	300	1 500	-	0.4%
Catering: Departmental activities	-	-	-	168	-	0.2%	201	345	379	31.2%	0.2%
Communication	-	-	439	2 111	-	2.7%	4 498	9 664	15 542	94.5%	6.5%
Computer services	-	300	-	565	-	0.9%	664	2 161	2 692	68.3%	1.2%
Consultants and professional services: Business and advisory services	-	-	43	1 591	-	1.7%	3 181	7 051	11 463	93.1%	4.8%
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	-	58 877	62 032	27 982	-	30.6%
Consultants and professional services: Legal costs	-	-	-	-	-	-	-	100	1 633	-	0.4%
Contractors	-	-	6 059	-	-	6.3%	-	-	-	-	-
Agency and support / outsourced services	-	-	920	-	-	1.0%	-	-	-	-	-
Entertainment	-	-	88	196	-	0.3%	155	174	166	-5.4%	0.1%
Inventory: Food and food supplies	-	300	21	56	-	0.4%	66	325	272	69.4%	0.1%
Inventory: Fuel, oil and gas	-	-	10	37	-	-	444	1 364	646	159.4%	0.5%
Inventory: Materials and supplies	-	-	9	415	-	0.4%	87	486	528	8.4%	0.3%

Table 22.26 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Inventory: Other consumables	–	–	3 182	82	–	3.4%	964	106	151	22.6%	0.3%
Inventory: Stationery and printing	–	11 600	286	267	–	12.7%	523	1 260	681	36.6%	0.6%
Operating leases	–	800	72	–	–	0.9%	–	–	–	–	–
Property payments	–	–	–	2 166	–	2.3%	2 043	3 848	2 420	3.8%	2.2%
Travel and subsistence	–	–	11 782	2 644	–	15.0%	4 748	5 096	10 557	58.6%	4.7%
Training and development	–	–	295	1 279	–	1.6%	3 351	4 256	11 546	108.2%	4.2%
Operating payments	–	–	233	–	–	0.2%	–	–	–	–	–
Venues and facilities	–	–	3 589	478	–	4.2%	341	1 825	1 929	59.2%	0.9%
Rental and hiring	–	300	–	295	–	0.6%	2 084	931	2 468	103.0%	1.2%
Payments for capital assets	–	700	–	1 347	–	2.1%	10 000	7 916	3 000	30.6%	4.6%
Machinery and equipment	–	700	–	1 347	–	2.1%	10 000	7 916	3 000	30.6%	4.6%
<b>Total</b>	–	<b>20 000</b>	<b>45 370</b>	<b>30 687</b>	–	<b>100.0%</b>	<b>139 469</b>	<b>163 745</b>	<b>153 121</b>	<b>70.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.0%	100.0%	100.0%	30.3%			39.7%	32.5%	25.2%		

## Expenditure trends

The spending focus over the medium term will be on establishing the management and administrative capacity required by the department.

Expenditure under the *Management* subprogramme increased significantly between 2010/11 and 2012/13 due to the filling of critical leadership posts and to provide for the accommodation and operational requirements of this newly established department. Expenditure in this subprogramme is expected to continue increasing over the medium term due to the development and implementation of the technology systems and the administrative policies and procedures, the provision of legal and security services, and the communication and marketing of the military veterans' programmes.

The projected expenditure increase over the medium term under the *Internal Audit* subprogramme is focused on funding the external and internal audit professional services. The projected expenditure increase from 2012/13 to 2014/15 under the *Office Accommodation* subprogramme is focused on funding the acquisition and upgrading of national and provincial office space, provincial health and wellness centres, the establishment of the Tombstone Of An Unknown Soldier, the infrastructure upgrade at the Defence Centre for Advanced Training, and the development of head stones for the graves of military veterans. The decrease in projected expenditure under this subprogramme in 2015/16 is linked to the decreased allocation for infrastructure projects as most of the projects will be completed by then.

The expenditure increase on consultants over the medium term is focused mainly on the development of ICT systems, legal services, and the provision of external and internal audit consultancy services. The use of consultants is necessary due to the lack of capacity in the department and compulsory in terms of the professional services required from the State Information Technology Agency and the State Attorney.

## Programme 2: Socio Economic Support Services

### Objectives

- Provide socioeconomic support services to military veterans over the medium term by:
  - establishing and maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and implementing an annual update of the database
  - ensuring that all deserving military veterans as identified through the database receive benefits as espoused in section 5 of the Military Veterans Act (2011) by 2015/16.
- Develop strategic partnerships with other organs of state to advance delivery on basic social security by concluding, monitoring and evaluating performance against service level agreements and where applicable memoranda of understanding to ensure that:
  - 11 500 eligible military veterans have decent housing over the medium term
  - 16 000 military veterans have access to health care services by 2015/16

- 400 eligible military veterans and dependents across the country are provided with ongoing education and transport support over the medium term.
- Provide ongoing support services to the dependants of military veterans over the medium term by:
  - coordinating, concluding, monitoring and evaluating the implementation of service level agreements and memoranda of understanding with organs of state and other relevant agencies
  - reporting comprehensively on the national military veterans' programme.
- Provide strategic leadership to the sector by:
  - conducting research on pertinent issues affecting military veterans and developing policies
  - implementing norms, standards, strategies, guidelines and efficiencies for leadership
  - ensuring that all military veterans receive relevant benefits and support by 2015/16.
- Provide comprehensive wellness support services to eligible military veterans by concluding dedicated service level agreements with the relevant organs of state and other agencies over the medium term.

## Subprogrammes

- *Database and Benefits Management* provides administrative support for the department and plays a pivotal role in establishing and managing the military veterans database. In 2012/13, the focus was on ensuring that there is a credible and secure database by carrying out electronic clean-up activities and capturing 13 768 veterans' personal files. In 2012/13, this subprogramme had a permanent staff complement of 2, which was assisted by personnel seconded from the Department of Defence as well as members of the reserve force.
- *Research and Policy Development* develops an equitable and sound environment for promoting the interests of military veterans through continuous research processes, and provides information on managing military veterans based on international standards. The Department of Military Veterans regulations were developed for approval in 2012/13. This subprogramme had a permanent staff complement in 2012/13 of 2, which was augmented by contract workers who were appointed in April 2012.
- *Health Care and Wellness Services* facilitates the provision of health care and wellbeing support to military veterans. There are currently 270 military veterans accessing counselling through the military veterans healthcare practitioner association and the military health support service. Approximately 3 000 military veterans have access to health care. In 2012/13, this subprogramme had a permanent staff complement of 1, which was augmented by members seconded from the Department of Defence, members of the reserve force, contract workers, and detached members of the South African Navy.
- *Socio-economic Support Services* facilitates and coordinates socioeconomic support services to military veterans. This entails ensuring that legal instruments for the provision of socioeconomic support services to veterans, such as housing, pensions and transport, are put in place. The main activities relate to the development and consolidations of the general regulations on military veterans. 2012/13 saw the development of draft policies on military veterans' education as well as military veterans' health care being completed. This subprogramme had a staff complement of 2 in 2012/13.

## Expenditure estimates

**Table 22.27 Socio Economic Support Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand					2009/10 -	2012/13				2012/13 -	2015/16
Database and Benefits Management	-	-	-	4 666	-	22.1%	22 523	13 731	12 844	40.1%	8.6%
Research and Policy Development	-	-	-	3 993	-	18.9%	13 303	14 433	16 049	59.0%	7.7%
Health Care and Wellness Services	-	-	-	4 520	-	21.4%	26 992	37 130	38 835	104.8%	17.3%
Socio-economic Support Services	-	-	-	7 957	-	37.6%	72 686	117 212	215 813	200.5%	66.4%
<b>Total</b>	-	-	-	<b>21 136</b>	-	<b>100.0%</b>	<b>135 504</b>	<b>182 506</b>	<b>283 541</b>	<b>137.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				21 136			135 504	182 506	283 541		

Table 22.27 Socio Economic Support Services (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Current payments</b>	-	-	-	20 847	-	98.6%	135 504	182 506	283 541	138.7%	100.0%
Compensation of employees	-	-	-	4 013	-	19.0%	15 504	22 506	23 541	80.4%	10.5%
Goods and services	-	-	-	16 834	-	79.6%	120 000	160 000	260 000	149.0%	89.4%
of which:											
Assets less than the capitalisation threshold	-	-	-	272	-	1.3%	822	864	837	45.5%	0.4%
Bursaries: Employees	-	-	-	-	-	-	-	36	72	-	-
Catering: Departmental activities	-	-	-	74	-	0.4%	312	169	114	15.5%	0.1%
Communication	-	-	-	14	-	0.1%	17	18	19	10.7%	-
Consultants and professional services: Business and advisory services	-	-	-	1 853	-	8.8%	17 152	9 147	9 293	71.2%	6.0%
Consultants and professional services: Laboratory services	-	-	-	4 781	-	22.6%	19 860	29 780	31 149	86.8%	13.7%
Entertainment	-	-	-	170	-	0.8%	85	207	273	17.1%	0.1%
Housing	-	-	-	-	-	-	60 000	105 000	200 000	-	58.6%
Inventory: Food and food supplies	-	-	-	14	-	0.1%	18	158	167	128.5%	0.1%
Inventory: Fuel, oil and gas	-	-	-	56	-	0.3%	563	394	413	94.6%	0.2%
Inventory: Materials and supplies	-	-	-	33	-	0.2%	457	159	166	71.3%	0.1%
Inventory: Other consumables	-	-	-	-	-	-	1 327	28	30	-	0.2%
Inventory: Stationery and printing	-	-	-	48	-	0.2%	1 553	54	99	27.3%	0.3%
Travel and subsistence	-	-	-	6 947	-	32.9%	8 405	10 592	10 968	16.4%	5.9%
Training and development	-	-	-	2 178	-	10.3%	5 574	2 641	5 286	34.4%	2.5%
Operating payments	-	-	-	-	-	-	500	-	-	-	0.1%
Venues and facilities	-	-	-	394	-	1.9%	3 355	753	1 114	41.4%	0.9%
<b>Payments for capital assets</b>	-	-	-	289	-	1.4%	-	-	-	-100.0%	-
Machinery and equipment	-	-	-	289	-	1.4%	-	-	-	-100.0%	-
<b>Total</b>	-	-	-	21 136	-	100.0%	135 504	182 506	283 541	137.6%	100.0%
Proportion of total programme expenditure to vote expenditure				20.8%			38.6%	36.2%	46.7%		

## Expenditure trends

The spending focus over the medium term will be to provide socioeconomic support services for military veterans, particularly in terms of housing. In this regard expenditure in the *Socio-economic Support Services* subprogramme is expected to grow significantly over the medium term, mainly to fund the provision of 11 500 houses to deserving military veterans.

Expenditure in the *Health Care and Wellness Services* subprogramme is expected to increase over the medium term to fund the health assessment of, and provision of proper health care services to the military veterans. Much of this increased expenditure is reflected under expenditure on consultants, where a total of R108.4 million will be spent over the medium term. This increased spending on consultants under goods and services is mainly for the provision of military veterans' health care, which accounts for the steep growth in expenditure reflected under the laboratory services line item, and to administer the distribution of funds to the relevant tertiary institutions for military veterans' bursaries, which is reflected under the business and advisory services line item. Consultants are used to provide these specialised services that are not required on a full time basis in the department.

The projected expenditure increase from 2011/12 to 2012/13 under the Database and Benefits Management subprogramme is due to the database clean up projects undertaken in 2011/12 and 2012/13 to collect, verify and clean-up the military veterans database in order to ensure the accuracy and reliability of this database information. The decrease on expenditure over the medium term under this subprogramme is due to the fact that the data collection exercise was completed in 2012/13, and the collected data only needs ongoing refinement.

## Programme 3: Empowerment and Stakeholder Management

### Objectives

- Ensure the empowerment of deserving military veterans by:

- establishing a fully functional special purpose vehicle that will facilitate business opportunities for development with other organs of state and the private sector, through partnerships and collaborations, by 2013/14
- forming partnerships with 30 private sector companies and other organs of state over the medium term
- entering into service level agreements and memoranda of understanding with organs of state, and; monitoring and evaluating the implementation of the agreements and memoranda of understanding to ensure that support is provided on an annual basis
- concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
- promoting relations at inter- and intra-government level
- facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes
- ensuring that a total of 10 strategic initiatives are established at national, continental and international levels
- ensuring, through the Defence Centre of Advanced Training, that 7 500 deserving military veterans have access to relevant training and skills development, and that 1 000 have relevant South African Qualifications Authority qualifications and part qualifications over the medium term.

## Subprogrammes

- *Provincial Offices Management and Stakeholder Relations* facilitates and coordinates military veteran stakeholder institutions and provides administrative support to secure stakeholders from both public and private institutions willing to contribute towards the wellbeing of military veterans. In 2012/13, focus was placed on building capacity at provincial offices by ensuring full staff establishments, and strengthening relations with the department's major stakeholder by entering into a service level agreement. In 2012/13, this subprogramme had a permanent staff complement of 1, which was augmented by members seconded from the Department of Defence.
- *Military Veterans Skills Development and Empowerment Programmes* provides reskilling programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities. In 2013/14, the National Skills Development Fund will begin training 1 000 military veterans over a two-year period. Efforts are under way to refocus the Defence Centre of Advanced Training as a skills development centre for military veterans. In 2012/13, this subprogramme had a permanent staff complement of 2, which was augmented by members seconded from the Department of Defence.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans; and ensures that their memoirs are adequately secured, articulated in a dignified manner and captured in historical texts. In 2012/13, the focus was on the following: preparatory work on a monument for military veterans and other memorial sites; a Tomb of the Unknown Soldier; graves for military veterans and exploratory studies on the attributes of headstones that will restore the dignity of military veterans' graves. This subprogramme had no permanent staff complement in 2012/13, and work was undertaken by personnel seconded from the Department of Defence and contract workers who were appointed in April 2012.

## Expenditure estimates

**Table 22.28 Empowerment and Stakeholder Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Provincial Offices Management and Stakeholder Relations	-	-	-	3 802	-	7.7%	11 076	43 334	47 572	132.2%	23.3%
Military Veterans Skills Development and Empowerment Programmes	-	-	-	4 219	-	8.5%	33 763	100 249	104 773	191.8%	53.5%
Heritage, Memorials, Burials and Honours	-	-	-	41 559	-	83.8%	31 619	14 326	17 834	-24.6%	23.2%
<b>Total</b>	-	-	-	<b>49 580</b>	-	<b>100.0%</b>	<b>76 458</b>	<b>157 909</b>	<b>170 179</b>	<b>50.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				49 580			76 458	157 909	170 179		

Table 22.28 Empowerment and Stakeholder Management (continued)

R thousand	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Economic classification</b>											
<b>Current payments</b>	-	-	-	48 716	-	98.3%	76 458	157 909	170 179	51.7%	99.8%
Compensation of employees	-	-	-	5 307	-	10.7%	22 629	26 515	27 734	73.5%	18.1%
Goods and services	-	-	-	43 409	-	87.6%	53 829	131 394	142 445	48.6%	81.7%
of which:											
Assets less than the capitalisation threshold	-	-	-	784	-	1.6%	3 591	1 519	1 091	11.6%	1.5%
Catering: Departmental activities	-	-	-	2 385	-	4.8%	3 356	4 532	4 459	23.2%	3.2%
Communication	-	-	-	33	-	0.1%	37	-	-	-100.0%	-
Computer services	-	-	-	8	-	-	-	-	-	-100.0%	-
Entertainment	-	-	-	26	-	0.1%	238	347	440	156.7%	0.2%
Fleet services (including government motor transport)	-	-	-	-	-	-	-	14	1 314	-	0.3%
Inventory: Food and food supplies	-	-	-	29	-	0.1%	67	369	241	102.6%	0.2%
Inventory: Fuel, oil and gas	-	-	-	415	-	0.8%	981	2 222	2 332	77.8%	1.3%
Inventory: Materials and supplies	-	-	-	39	-	0.1%	345	45	47	6.4%	0.1%
Inventory: Other consumables	-	-	-	34 138	-	68.9%	15 473	189	9	-93.6%	11.0%
Inventory: Stationery and printing	-	-	-	57	-	0.1%	667	149	1 215	177.3%	0.5%
Property payments	-	-	-	-	-	-	17	-	-	-	-
Travel and subsistence	-	-	-	3 665	-	7.4%	12 846	68 101	72 250	170.1%	34.5%
Training and development	-	-	-	1 586	-	3.2%	13 355	45 365	48 224	212.1%	23.9%
Venues and facilities	-	-	-	244	-	0.5%	2 856	8 542	10 823	254.0%	4.9%
<b>Payments for capital assets</b>	-	-	-	864	-	1.7%	-	-	-	-100.0%	0.2%
Machinery and equipment	-	-	-	864	-	1.7%	-	-	-	-100.0%	0.2%
<b>Total</b>	-	-	-	49 580	-	100.0%	76 458	157 909	170 179	50.8%	100.0%
<b>Proportion of total programme expenditure to vote expenditure</b>				48.9%			21.8%	31.3%	28.0%		

## Expenditure trends

The spending focus over the medium term will be on filling critical posts, providing benefits to military veterans in terms of section 5 of the Military Veterans Act (2011), establishing 2 military veterans' governance structures, erecting 7 memorial sites for military veterans who sacrificed their lives for freedom and democracy, investing in the heritage preservation, and facilitating the establishment of heroes acres and monuments in every province.

Expenditure in the *Military Veterans Skills Development and Empowerment* subprogramme is expected to increase over the medium term in order to fund the provision of skills and empowerment programmes to 7 500 military veterans. The increase in expenditure will also allow the department to take full control and responsibility for the recapitalisation of the Defence Centre for Advanced Training to reskill military veterans.

The projected increase in expenditure in the *Provincial Offices Management and Stakeholders Relations* subprogramme over the medium term is expected to fund the provision of capacity and equipment in the provincial offices to allow them to function effectively. Over the same period, expenditure in the *Heritage, Memorials, Burials and Honour* subprogramme is expected to decrease from 2012/13 to 2014/15 as only 3 functions honouring military veterans are planned in 2013/14, which will cover the remaining military veterans. The increased expenditure in 2015/16 under this subprogramme is focused on funding the erection of 4 military veterans' memorial sites, investing in the heritage projects of military veterans, such as the recording and documenting of military veterans' histories, and facilitating the establishment of heroes acres and monuments in every province.

## Public entities and other agencies

### Armaments Corporation of South Africa

#### Mandate and goals

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003), which states that the corporation is the officially appointed acquisition organisation for the Department of Defence. With the

approval of the Minister of Defence, the corporation also provides a professional acquisition service to other government departments and public entities.

The corporation is also responsible for providing an integrated support function to the defence industry, which involves facilitating the South African defence industry's participation in international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes.

The corporation also manages the Simon's Town Naval Dockyard and the Defence Institutes. The dockyard carries out planned preventative maintenance, corrective maintenance, reconstruction and repairs, and upgrades all of the navy's ships and submarines. The corporation, through its Defence Institutes, provides operational research and comprehensive test and evaluation services of defence systems and capabilities in both the military and civilian environments.

## Selected performance indicators

**Table 22.29 Armaments Corporation of South Africa**

Indicator	Performance/Activity	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Capital defence matériel acquisition	94.4% (R376m)	96.1% (R428m)	89.1% (R311m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Capital defence matériel acquisition	101% (R2.2bn)	101.9% (R2.2bn)	86.2% (R1.8bn)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Strategic defence acquisition	94.9% (R55m)	99.9% (R33m)	100.0% (R77.4m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Strategic defence acquisition	94.8% (R1.6bn)	100.8% (R1.1bn)	94.4% (R997m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	System support acquisition and procurement	86.6% (R1.6m)	97.9% (R1.0m)	98.8% (R1.1bn)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	System support acquisition and procurement	104% (R3.0bn)	99.9% (R2.7bn)	100.1% (R3.6bn)	90%	90%	90%	90%
Defence industrial participation credits awarded in terms of contractually agreed milestones	Management of defence industrial participation	R747m	R1.58bn	R1.45bn	R349m	R136m	R440m	R358m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities	Management of defence technology, research, test and evaluation requirements of the Department of Defence	91%	96%	95.5%	90%	90%	90%	90%

## Programmes/activities/objectives

**Table 22.30 Armaments Corporation of South Africa**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
Management of defence matériel acquisition	443 796	492 402	384 376	436 657	-0.5%	30.2%	576 558	606 010	636 914	13.4%	30.3%
Quality assurance	132 417	145 817	101 502	118 227	-3.7%	8.5%	163 219	171 583	180 354	15.1%	8.5%
Tender management	2 796	3 149	2 978	3 260	5.3%	0.2%	4 003	4 205	4 416	10.6%	0.2%
Defence industrial participation	3 304	3 733	3 656	3 978	6.4%	0.3%	4 822	5 064	5 319	10.2%	0.3%
Logistics matériel and support	709 096	757 023	258 946	372 795	-19.3%	33.5%	683 843	719 464	756 684	26.6%	33.2%
Management of strategic facilities: Defence Institutes	306 058	334 791	219 592	259 968	-5.3%	18.9%	368 291	387 190	407 003	16.1%	19.0%
Management of strategic facilities: Naval Dockyard	120 488	134 255	109 553	123 243	0.8%	8.4%	159 858	168 013	176 574	12.7%	8.5%
<b>Total expense</b>	<b>1 717 956</b>	<b>1 871 169</b>	<b>1 080 603</b>	<b>1 318 128</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960 594</b>	<b>2 061 529</b>	<b>2 167 264</b>	<b>18.0%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 22.31 Armaments Corporation of South Africa**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand					2009/10 - 2012/13					2012/13 - 2015/16	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>1 173 271</b>	<b>1 293 400</b>	<b>401 621</b>	<b>366 358</b>	-32.2%	49.9%	<b>960 841</b>	<b>969 909</b>	<b>1 018 406</b>	40.6%	42.4%
Sale of goods and services other than capital assets	1 094 423	1 202 200	305 188	283 524	-36.3%	43.9%	838 443	880 365	924 383	48.3%	37.1%
of which:											
Sales by market establishment	1 094 423	1 202 200	305 188	283 524	-36.3%	43.9%	838 443	880 365	924 383	48.3%	37.1%
Other non-tax revenue	78 848	91 200	96 433	82 834	1.7%	6.0%	122 398	89 544	94 023	4.3%	5.3%
<b>Transfers received</b>	<b>528 900</b>	<b>594 800</b>	<b>752 271</b>	<b>974 932</b>	<b>22.6%</b>	<b>50.1%</b>	<b>1 021 264</b>	<b>1 091 416</b>	<b>1 162 523</b>	<b>6.0%</b>	<b>57.6%</b>
<b>Total revenue</b>	<b>1 702 171</b>	<b>1 888 200</b>	<b>1 153 892</b>	<b>1 341 290</b>	<b>-7.6%</b>	<b>100.0%</b>	<b>1 982 105</b>	<b>2 061 325</b>	<b>2 180 929</b>	<b>17.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 717 956</b>	<b>1 871 169</b>	<b>1 080 603</b>	<b>1 318 128</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960 594</b>	<b>2 061 529</b>	<b>2 167 264</b>	<b>18.0%</b>	<b>100.0%</b>
Compensation of employees	558 135	639 556	681 958	729 118	9.3%	46.3%	873 596	939 116	1 009 550	11.5%	48.0%
Goods and services	1 134 421	1 205 833	372 245	558 300	-21.0%	51.8%	1 047 135	1 080 557	1 113 765	25.9%	49.9%
Depreciation	24 100	22 680	26 400	30 710	8.4%	1.8%	39 863	41 856	43 949	12.7%	2.1%
Interest, dividends and rent on land	1 300	3 100	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total expenses</b>	<b>1 717 956</b>	<b>1 871 169</b>	<b>1 080 603</b>	<b>1 318 128</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960 594</b>	<b>2 061 529</b>	<b>2 167 264</b>	<b>18.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(15 785)</b>	<b>17 031</b>	<b>73 289</b>	<b>23 162</b>	<b>-213.6%</b>		<b>21 511</b>	<b>(204)</b>	<b>13 665</b>	<b>-16.1%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	216 900	236 300	242 200	232 463	2.3%	25.2%	266 283	294 156	323 422	11.6%	28.7%
of which:											
Acquisition of assets	26 600	44 700	32 500	28 214	2.0%	3.6%	66 409	69 729	73 215	37.4%	6.1%
Inventory	2 800	6 500	7 600	7 086	36.3%	0.6%	6 885	7 229	7 590	2.3%	0.7%
Receivables and prepayments	161 400	178 900	182 300	197 304	6.9%	19.5%	189 000	198 450	208 372	1.8%	20.4%
Cash and cash equivalents	341 081	374 800	440 600	382 398	3.9%	41.7%	376 035	359 749	361 449	-1.9%	38.2%
Defined benefit plan assets	94 700	124 100	137 700	124 100	9.4%	13.0%	122 000	114 000	104 000	-5.7%	12.0%
<b>Total assets</b>	<b>816 881</b>	<b>920 600</b>	<b>1 010 400</b>	<b>943 351</b>	<b>4.9%</b>	<b>100.0%</b>	<b>960 203</b>	<b>973 584</b>	<b>1 004 833</b>	<b>2.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	-	75 000	75 000	(37 017)	-	2.9%	(21 511)	204	(13 665)	-28.3%	-1.9%
Capital and reserves	536 700	478 800	552 100	590 075	3.2%	58.7%	633 097	611 178	638 712	2.7%	63.7%
Deferred income	-	24 700	69 100	12 890	-	2.7%	-	-	-	-100.0%	0.3%
Trade and other payables	176 300	236 500	203 100	247 750	12.0%	23.4%	223 951	235 149	246 906	-0.1%	24.6%
Provisions	103 881	105 600	111 100	129 653	7.7%	12.2%	121 479	127 053	132 880	0.8%	13.2%
Derivatives financial instruments	-	-	-	-	-	-	3 187	-	-	-	0.1%
<b>Total equity and liabilities</b>	<b>816 881</b>	<b>920 600</b>	<b>1 010 400</b>	<b>943 351</b>	<b>4.9%</b>	<b>100.0%</b>	<b>960 203</b>	<b>973 584</b>	<b>1 004 833</b>	<b>2.1%</b>	<b>100.0%</b>

## Expenditure trends

The Armaments Corporation of South Africa's operating expenses are largely funded by a transfer payment from the Department of Defence, and sales of goods and services such as redundant equipment. Together with interest earned on this revenue, these funds are used to finance operating expenditure.

Over the medium term, the Department of Defence is expected to increase its capital acquisitions, due to the purchase of assets to re-establish capabilities within the Simon's Town Naval Dockyard that were previously outsourced to industry, as well as legislated safety, health and environment maintenance on existing infrastructure. One of the corporation's roles is to act as an acquisition agency for the Department of Defence, and as such is responsible for the acquisition of such capital assets.

Expenditure decreased from 2009/10 to 2012/13 as the strategic defence procurement neared its completion, but is expected to increase over the medium term as the department proceeds with its planned capital acquisitions. The corporation has been achieving most of its targets over the years, including contracts placed on behalf of the department. Despite achieving these targets, the actual operating expenditure incurred was below the budgeted figures year on year, hence savings were realised.

The corporation has identified efficiency savings over the medium term as a result of implementing cost effectiveness measures. This has already resulted in reduced travel costs, while the growth in other operational expenditure items was also restricted. Other major savings realised relate to vacant positions, where only critical positions were filled.

The corporation has an establishment of 1 552 posts, of which 1 429 were filled at the end of September 2012. There were 123 vacancies, mainly because the corporation decided to fill only critical positions. Over the medium term, the number of positions is expected to increase to 2 147, which is mainly due to the establishment

of additional capabilities to fully support the South African Navy at the Simon's Town Naval Dockyard. Consultants used are predominantly for legal services and mostly in litigation matters. The estimated expenditure to be incurred on consultants over the MTEF period is R3 million.

## Castle Control Board

### Mandate and goals

The mandate of the Castle Control Board is derived from the Castle Management Act (1993), which requires it to preserve and protect the military and cultural heritage of the Castle of Good Hope, to optimise its tourism potential, and to maximise public access to the parts of the castle that are not used by the Department of Defence.

The board's strategic goals are to:

- establish a human resources development plan for the castle
- prepare and implement displays on World War I
- combine the maintenance activities of the Department of Public Works and the Castle Control Board, which includes appointing a maintenance team to carry out minor preventative maintenance.

## Selected performance indicators

Table 22.32 Castle Control Board

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Income from events and hosting film and fashion shoots per year <sup>1</sup>	Increased public profile and positive perception across all sectors of the community	- <sup>1</sup>	R207 000	R532 000	R263 000	R276 000	R289 000	R310 000
Expected number of visitors to the Castle of Good Hope per year <sup>1</sup>	Maximising the tourist potential of the Castle of Good Hope	- <sup>1</sup>	130 000	138 000	140 000	145 000	150 000	156 000
Income from visitors to the Castle of Good Hope per year <sup>1</sup>	Maximising the tourist potential of the Castle of Good Hope	- <sup>1</sup>	R1 484	R1 745	R1 900	R2 000	R2 110	R2 216

1. These indicators were introduced in 2010/11.

## Programmes/activities/objectives

Table 22.33 Castle Control Board

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Administration through corporate governance	973	1 174	1 796	2 342	34.0%	63.2%	2 526	2 666	2 783	5.9%	61.9%
Preservation, interpretation and showcasing of history of the Castle of Good Hope	769	633	468	1 047	10.8%	30.5%	1 463	1 572	1 616	15.6%	33.8%
Maximising the tourist potential of the Castle of Good Hope	74	62	37	65	-4.2%	2.6%	67	70	75	4.9%	1.7%
Increased public profile and positive perception across all sectors of the community	67	116	68	96	12.7%	3.7%	104	110	127	9.8%	2.6%
<b>Total expense</b>	<b>1 883</b>	<b>1 985</b>	<b>2 369</b>	<b>3 550</b>	<b>23.5%</b>	<b>100.0%</b>	<b>4 160</b>	<b>4 418</b>	<b>4 601</b>	<b>9.0%</b>	<b>100.0%</b>

## Expenditure estimates

Table 22.34 Castle Control Board

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>3 075</b>	<b>2 878</b>	<b>3 182</b>	<b>3 550</b>	<b>4.9%</b>	<b>100.0%</b>	<b>4 160</b>	<b>4 418</b>	<b>4 601</b>	<b>9.0%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets of which:	2 409	2 039	2 491	2 950	7.0%	77.6%	3 560	3 818	4 001	10.7%	85.5%
Sales by market establishment	2 409	2 039	2 491	2 950	7.0%	77.6%	3 560	3 818	4 001	10.7%	85.5%
Other non-tax revenue	666	839	691	600	-3.4%	22.4%	600	600	600	-	14.5%
<b>Total revenue</b>	<b>3 075</b>	<b>2 878</b>	<b>3 182</b>	<b>3 550</b>	<b>4.9%</b>	<b>100.0%</b>	<b>4 160</b>	<b>4 418</b>	<b>4 601</b>	<b>9.0%</b>	<b>100.0%</b>

**Table 22.34 Castle Control Board (continued)**

Statement of financial performance											
R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 883</b>	<b>1 985</b>	<b>2 369</b>	<b>3 550</b>	<b>23.5%</b>	<b>100.0%</b>	<b>4 160</b>	<b>4 418</b>	<b>4 601</b>	<b>9.0%</b>	<b>100.0%</b>
Compensation of employees	422	557	796	1 368	48.0%	30.7%	1 505	1 600	1 696	7.4%	36.9%
Goods and services	1 387	1 359	1 510	1 957	12.2%	65.2%	2 430	2 593	2 680	11.0%	57.6%
Depreciation	74	69	63	225	44.9%	4.1%	225	225	225	-	5.4%
<b>Total expenses</b>	<b>1 883</b>	<b>1 985</b>	<b>2 369</b>	<b>3 550</b>	<b>23.5%</b>	<b>100.0%</b>	<b>4 160</b>	<b>4 418</b>	<b>4 601</b>	<b>9.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 192</b>	<b>893</b>	<b>813</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of Financial position</b>											
Carrying value of assets	1 263	1 260	1 271	1 401	3.5%	10.8%	1 501	1 501	1 501	2.3%	14.0%
of which:											
Acquisition of assets	144	66	74	130	-3.4%	0.9%	100	-	-	-100.0%	0.5%
Inventory	99	126	83	69	-11.3%	0.8%	58	70	75	2.8%	0.6%
Receivables and prepayments	62	66	103	59	-1.6%	0.6%	49	75	75	8.3%	0.6%
Cash and cash equivalents	10 210	11 078	11 978	9 460	-2.5%	87.9%	9 085	8 754	8 605	-3.1%	84.8%
<b>Total assets</b>	<b>11 634</b>	<b>12 530</b>	<b>13 435</b>	<b>10 989</b>	<b>-1.9%</b>	<b>100.0%</b>	<b>10 693</b>	<b>10 400</b>	<b>10 256</b>	<b>-2.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	10 681	12 459	13 272	11 209	1.6%	97.4%	10 834	10 503	10 354	-2.6%	99.3%
Capital and reserves	884	-	-	-	-100.0%	1.9%	-	-	-	-	-
Trade and other payables	69	71	163	65	-2.0%	0.7%	68	75	75	4.9%	0.7%
<b>Total equity and liabilities</b>	<b>11 634</b>	<b>12 530</b>	<b>13 435</b>	<b>11 274</b>	<b>-1.0%</b>	<b>100.0%</b>	<b>10 902</b>	<b>10 578</b>	<b>10 429</b>	<b>-2.6%</b>	<b>100.0%</b>

## Personnel information

**Table 22.35 Castle Control Board**

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
	11	-	-	11	0.8	0.1	11	1.4	0.1	11	1.5	0.1	11	1.6	0.1	11	1.7	0.2	-	100.0%
1-6	9	-	-	9	0.6	0.1	9	0.6	0.1	9	0.6	0.1	9	0.7	0.1	9	0.7	0.1	-	81.8%
7-10	1	-	-	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	-	9.1%
13-16	1	-	-	1	0.2	0.2	1	0.5	0.5	1	0.7	0.7	1	0.8	0.8	1	0.8	0.8	-	9.1%

1. Rand million.

## Expenditure trends

Revenue for the Castle Control Board is mainly generated from ticket sales to visitors to the castle, rental income, and fees from hosting special events, with no funding coming from government. This income increased from R2.4 million to R3 million, at an average annual rate of 7 per cent, between 2009/10 and 2012/13. The effect of the global recession in 2009 was still being felt despite visitor numbers showing an increase of 5 per cent. Revenue is expected to increase over the medium term, based on anticipated increases in ticket sales and rental income. The hosting of special events, such as the Castle Military Tattoo in November, will also further stimulate interest among potential visitors to the Castle of Good Hope.

The board will continue to focus its expenditure over the medium term on the administration through the corporate governance programme, as well as the preservation, interpretation and showcasing of the history of the Castle of Good Hope programme. Both programmes have a direct impact on the board's goals, which are to maximise the tourist potential of the castle and to increase its public profile and positive perception across all sectors of the community.

The increase in spending on compensation of employees between 2010/11 and 2012/13 was a result of the appointment of an interim chief executive officer. In addition, audit fees increased from R292 000 in 2009/10 to R344 000 in 2011/12. Employment costs for a chief financial officer and a chief executive officer have been included in the estimates for 2012/13, and reflect as a marked increase in total compensation payable to employees. Expenses for maintaining and preserving the castle are expected to increase over the medium term due to its age, and because identified preservation challenges are now being addressed.

Consultants were used for the positions of executive director and chief financial officer, these posts both being key operational requirements and important compliance responsibilities in terms of statute. The board will continue to use consultants until such time as it can make fixed term appointments. A process to recruit and appoint an executive director in 2013 is currently under way.

There are 11 people employed by the board, with an additional 8 remunerated by the Department of Defence. It is necessary for the board to employ additional staff to execute duties related to posts no longer occupied by defence force personnel. These posts include castle guides, a bookkeeper, financial clerk, cashier, museum assistant, librarian, and a collection manager.

## Additional tables

**Table 22.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
	2011/12		2011/12	2012/13			2012/13
R thousand							
Administration	3 718 129	3 718 428	3 747 118	3 730 776	89 878	3 820 654	3 820 654
Force Employment	2 241 553	2 332 012	2 358 515	2 670 902	77 293	2 748 195	2 748 195
Landward Defence	11 763 543	11 328 608	10 962 193	12 686 731	(372 988)	12 313 743	12 313 743
Air Defence	6 768 133	6 355 776	6 527 742	6 749 665	369 055	7 118 720	7 118 720
Maritime Defence	2 500 516	2 564 677	2 574 714	2 551 307	310 945	2 862 252	2 862 252
Military Health Support	3 044 139	3 244 263	3 400 096	3 316 507	179 947	3 496 454	3 496 454
Defence Intelligence	668 988	661 636	653 113	709 663	2 484	712 147	712 147
General Support	3 899 964	4 143 687	4 107 946	5 077 403	(261 026)	4 816 377	4 816 377
<b>Total</b>	<b>34 604 965</b>	<b>34 349 087</b>	<b>34 331 437</b>	<b>37 492 954</b>	<b>395 588</b>	<b>37 888 542</b>	<b>37 888 542</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>27 278 357</b>	<b>28 090 710</b>	<b>27 237 446</b>	<b>30 156 953</b>	<b>874 244</b>	<b>31 031 197</b>	<b>31 031 197</b>
Compensation of employees	16 770 748	17 555 296	17 568 980	18 967 786	378 277	19 346 063	19 346 063
Goods and services	10 507 609	10 535 414	9 668 466	11 189 167	495 967	11 685 134	11 685 134
<b>Transfers and subsidies</b>	<b>6 978 012</b>	<b>5 907 281</b>	<b>5 877 842</b>	<b>6 376 133</b>	<b>(297 235)</b>	<b>6 078 898</b>	<b>6 078 898</b>
Departmental agencies and accounts	5 988 296	4 878 265	4 877 938	5 327 877	(361 744)	4 966 133	4 966 133
Public corporations and private enterprises	820 872	867 257	890 749	914 753	60 179	974 932	974 932
Non-profit institutions	6 317	6 317	6 317	6 213	-	6 213	6 213
Households	162 527	155 442	102 838	127 290	4 330	131 620	131 620
<b>Payments for capital assets</b>	<b>348 596</b>	<b>351 096</b>	<b>977 491</b>	<b>622 164</b>	<b>8 185</b>	<b>630 349</b>	<b>630 349</b>
Buildings and other fixed structures	126 475	126 475	279 685	111 110	-	111 110	111 110
Machinery and equipment	200 997	203 497	697 108	460 459	8 185	468 644	468 644
Specialised military assets	20 652	20 652	-	49 546	-	49 546	49 546
Biological assets	-	-	622	-	-	-	-
Software and other intangible assets	472	472	76	1 049	-	1 049	1 049
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>238 658</b>	<b>337 704</b>	<b>(189 606)</b>	<b>148 098</b>	<b>148 098</b>
<b>Total</b>	<b>34 604 965</b>	<b>34 349 087</b>	<b>34 331 437</b>	<b>37 492 954</b>	<b>395 588</b>	<b>37 888 542</b>	<b>37 888 542</b>

**Table 22.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Compensation of employees (R thousand)	12 705 579	16 597 098	17 568 980	19 346 063	20 863 845	21 763 302
Training expenditure (R thousand)	110 696	118 977	154 763	225 818	191 938	202 329	211 947
Training spend as percentage of compensation	0.9%	0.7%	0.9%	1.2%	0.9%	0.9%	0.9%

**Table 22.C Largest defence force units**

Unit	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	R thousand						
1 Construction Regiment	86 266	119 063	126 789	127 351	142 962	131 119	132 445
1 Military Printing regiment	16 999	21 663	21 376	24 554	29 347	26 238	26 971
1 Military Hospital	427 959	513 919	568 283	605 522	665 708	584 765	476 422
1 Signals Regiment	32 631	42 300	48 692	45 552	46 255	43 338	45 270
1 Special Service Battalion	68 613	95 100	97 783	92 172	107 437	105 357	103 904
10 Anti Aircraft Regiment	91 151	116 517	120 358	126 164	141 792	138 309	148 231
2 Field Engineer Regiment	96 045	127 234	133 210	131 305	144 085	135 130	139 411
2 Military Hospital	208 212	236 648	254 635	239 816	269 101	256 745	253 330
2 Signals Regiment	30 364	36 236	43 320	45 403	38 517	35 571	35 719
3 Electronic Workshop	30 715	42 626	42 987	44 875	50 743	47 696	49 495
3 Military Hospital	122 745	144 240	166 881	166 099	165 568	140 301	125 419
3 SA Infantry Battalion	67 994	88 754	89 215	117 272	105 622	96 942	97 528
35 Engineer Support Regiment	39 155	53 924	52 590	63 901	61 724	57 755	59 704
4 Artillery Regiment	132 762	185 066	171 110	172 988	190 436	178 206	184 252
43 Brigade	49 131	73 054	79 828	87 405	90 135	84 235	86 207
1 Parachute Battalion	93 647	126 922	127 355	138 830	147 725	142 458	151 173
46 Brigade	43 193	55 185	58 836	67 854	74 537	69 399	70 512
5 Signals Regiment	58 244	76 583	83 416	90 146	97 568	89 407	91 143

Table 22.C Largest defence force units (continued)

Unit	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand							
7 Medical Battalion Group	31 981	35 699	38 598	44 030	37 263	31 818	32 249
93 Ammunition Depot	34 751	41 162	45 739	48 168	52 897	48 349	49 174
Air Force Base Bloemspuit	46 558	57 568	60 389	61 634	68 470	62 849	57 558
Air Force Base Langebaanweg	65 235	81 515	88 165	82 748	95 370	85 827	79 062
Air Force Base Waterkloof	212 555	260 104	274 817	275 475	298 893	255 953	229 867
Air Force base Ysterplaat	66 045	85 362	93 298	82 044	96 824	85 357	76 432
10 Air Depot	25 994	33 334	34 724	32 853	37 353	34 066	32 500
Air Force Base Durban	27 224	34 562	35 067	35 200	38 656	35 556	33 016
Air Force Base Makhado	76 877	95 557	96 746	99 715	108 632	98 744	92 710
Air Force Base Hoedspruit	92 229	116 290	124 798	116 819	136 845	122 340	115 073
Air Force Base Overberg	54 699	69 579	73 641	118 110	83 464	77 001	70 940
85 Combat Flying School	25 050	29 115	28 233	50 237	40 261	42 821	43 027
2 Squadron	18 176	18 876	24 320	26 881	33 206	36 243	37 035
60 Squadron	8 169	9 599	9 184	10 865	10 262	9 411	9 568
87 Helicopter Flying School	1 704	2 248	2 177	2 716	34 494	32 106	31 966
15 Squadron	26 596	29 910	30 378	34 610	33 950	31 300	30 857
16 Squadron	18 344	18 041	17 598	20 460	20 125	18 645	18 417
17 Squadron	21 077	26 969	29 865	28 021	33 292	30 952	30 827
19 Squadron	16 761	18 796	20 957	20 599	24 048	22 770	22 794
22 Squadron	27 498	34 002	35 469	36 929	40 240	37 497	37 581
1 Air Supply Unit	52 414	61 922	66 508	68 432	77 676	70 142	69 632
68 Air School	–	–	159 264	171 799	178 597	152 001	155 709
21 Squadron	17 337	19 454	24 834	22 392	38 066	36 622	36 488
28 Squadron	27 556	33 052	35 185	37 278	42 001	38 814	38 057
35 Squadron	21 992	25 007	26 505	28 924	29 644	27 780	27 802
41 Squadron	21 608	26 732	27 966	31 936	36 148	33 851	32 671
Air Force Gymnasium	–	–	40 744	124 463	88 498	85 927	78 033
Air Force College	–	–	30 320	36 384	33 834	30 852	30 996
Army Support Base Bloemfontein	107 196	136 055	141 635	138 406	151 808	138 307	119 237
Army Support Base Johannesburg	70 007	85 467	82 685	81 051	90 362	83 544	68 545
Army Support Base Kimberley	63 926	79 466	76 920	78 223	80 889	75 322	63 135
Army Support Base Lohatla	60 410	72 482	69 830	78 150	77 458	71 716	62 642
Army Support Base Potchefstroom	93 093	110 576	108 787	110 566	120 611	112 108	96 654
Air Defence Artillery School	34 713	52 981	50 049	50 949	57 403	54 887	57 332
Army Gymnasium	67 521	76 149	84 751	101 848	97 782	91 012	93 015
1 SA Infantry Battalion	133 247	183 080	173 786	203 193	195 099	188 578	195 846
8 SA Infantry Battalion	102 626	138 997	147 630	142 953	198 531	187 315	201 167
Military Psychological Institute	13 451	16 655	27 688	24 159	19 220	17 698	33 299
Military Police School	22 227	27 377	25 897	30 841	27 593	26 012	25 697
4 SA Infantry Battalion	137 115	195 552	178 227	187 052	194 872	179 560	185 393
7 SA Infantry Battalion	143 341	201 766	193 446	206 283	216 972	198 355	201 170
2 SA Infantry Battalion	103 865	143 575	157 204	143 461	148 968	138 177	141 050
National Ceremonial Guard	53 341	75 079	78 629	93 083	86 810	81 038	79 336
Personnel Services School	19 682	21 362	27 135	27 995	20 922	18 331	17 927
Army College	31 702	32 769	35 537	46 626	45 552	43 250	44 147
School for Military Health Training	70 212	87 363	78 457	97 693	83 095	75 886	76 019
Nursing College	47 597	55 599	63 484	62 566	62 244	57 016	56 659
General Support Base Thaba Tshwane	134 183	221 384	269 460	198 342	223 201	206 340	199 572
SA National War College	26 828	32 198	32 563	35 064	30 064	27 726	26 143
SAS Saldanha	70 063	73 309	71 560	104 902	79 452	72 206	112 262
SAS Simonsberg	66 411	103 682	127 747	77 034	136 841	120 285	125 057
SAS Wingfield	58 089	75 472	75 426	67 083	91 786	80 612	78 545
School of Armour	51 831	70 579	75 400	76 439	71 334	68 893	68 815
School of Artillery	29 071	36 477	50 233	51 649	55 607	51 727	53 535
School of Engineers	17 715	16 735	18 677	–	86 287	87 208	89 554
School of Tactical Intelligence	35 647	40 444	40 993	41 845	45 087	44 150	47 171
4 Signals Regiment	10 206	14 236	15 179	16 130	17 856	16 581	17 034
Joint Support Base Wonderboom	88 706	124 205	127 479	133 989	143 029	126 645	123 757
School of Signals	20 791	31 893	35 635	43 845	42 619	44 016	44 757
121 SA Infantry Battalion	124 504	164 544	161 542	182 000	190 027	178 687	184 497
44 Parachute Regiment	39 974	45 866	49 213	52 900	58 054	54 782	56 624
21 SA Infantry Battalion	122 496	182 568	193 163	179 743	203 753	187 398	191 076

Table 22.C Largest defence force units (continued)

Unit	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand							
Infantry School	156 284	226 518	270 936	255 033	354 498	335 205	349 521
5 SA Infantry Battalion	118 981	174 070	164 570	187 685	191 273	176 929	182 435
6 SA Infantry Battalion	127 215	177 221	175 652	191 807	187 753	177 943	184 375
Air Supply Unit	26 979	33 738	33 317	36 586	44 806	42 759	45 114
9 SA Infantry Battalion	103 445	140 312	151 357	153 932	176 957	167 556	176 120
10 SA Infantry Battalion	123 019	174 816	184 252	172 628	182 479	169 007	173 653
14 SA Infantry Battalion	136 336	184 337	177 245	202 581	206 779	191 169	196 827
15 SA Infantry Battalion	149 947	230 576	223 768	214 485	224 481	203 480	203 532
Special Forces School	51 782	65 369	72 846	77 690	79 819	72 319	72 341
4 Special Forces Regiment	44 344	55 287	64 708	70 336	74 057	67 531	65 105
5 Special Forces Regiment	88 276	106 051	115 213	127 916	133 067	118 061	111 738
Special Forces Support Unit	49 160	64 063	66 956	75 420	70 973	62 216	60 662
Special Forces Brigade	103 920	129 406	219 525	193 293	218 832	214 877	209 298
16 Maintenance Unit	30 987	46 768	40 204	56 050	37 982	35 803	36 994
101 Workshop	15 901	21 957	22 041	23 077	27 397	25 968	23 160
SAS Protea	17 141	21 512	23 913	21 634	28 260	24 348	23 828

**Table 22.D Summary of donor funding**

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
<b>Foreign</b>													
<b>In kind</b>													
United States of America	Aircrew simulator training and C130 aircraft spares	Air Defence	One year	4 029	Goods and services	Training for 59 members	-	-	-	-	4 029	-	-
United States of America	Aviation safety training	Air Defence	One year	144	Goods and services	Training course for 1 member	-	-	-	144	-	-	-
United States of America	Combating terrorism, United States Air Force squadron officer, United States Air War College, United States Air Command and Staff College	Administration	One year	4 050	Goods and services	Training in each course for 1 member	-	-	-	4 050	-	-	-
Germany	Senior staff course preceded by German language course and detachment to training ship Gorsh Fock	Maritime Defence	August 2008 - July 2010	93	Goods and services	Training course and deployment for 1 member	-	-	-	-	45	-	-
<b>Total</b>				<b>8 316</b>			-	-	-	<b>4 194</b>	<b>4 074</b>	-	-

**Table 22.E Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand										
<b>Departmental infrastructure</b>										
Rebuilding of runway at Air Force Base Waterkloof	Lifting of existing unserviceable runway, excavation and groundworks for new runway, construction of new runway and tarmacadam laid and installation of runway lighting, in order to finish the rebuilding of the new runway	Construction	1 113 576	402 080	134 083	172 642	130 000	-	-	-
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards, mechanical systems for gas, oxygen, water, fire detection and prevention	Various	231 001	34 031	42 500	38 012	30 366	12 143	18 891	7 000
Upgrading of infrastructure for disabled members	Upgrading of building (offices, workshops) and pathways by means of the construction of ramps, installation of water closets, hand wash basins and enlarging toilet cubicles for members with disabilities	Various	9 719	-	200	1 360	1 398	1 000	999	1 000
<b>Departmental infrastructure</b>										
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitor systems	Various	133 529	49 813	20 716	894	10 971	9 555	9 985	8 475
Construction of live-in accommodation	Construction of buildings with revetments in order to comply with legislation in the storage of ordinance	Various	401 068	57 035	31 500	75	8 460	44 050	56 142	72 008
Construction of office accommodation	Construction of single and married housing units in the form of houses and flats to accommodate military personnel	Various	109 138	1 175	-	1 358	3 500	3 500	-	-

Table 22.E Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand										
Demolishing of infrastructure	Demolition	Various	60 000	–	–	–	5 000	7 000	9 000	10 000
Saldhana: Construction of military skills development system accommodation	Construction of single and married housing units in the form of houses and flats to accommodate military personnel	Design	148 982	33 147	15 462	–	7 500	3 968	6 610	–
Prefabricated structures	Procurement of prefabricated classroom and office accommodation	Hand over	18 438	18 438	–	–	–	–	–	–
Recoverable projects	Upgrading of building (offices, workshops) and pathways through the construction of ramps, installation of water closets, hand wash basins and enlarging toilet cubicles for members with disabilities	Various	12 285	3 375	1 341	–	(1 447)	11 346	7 826	5 852
Specialised shipping containers	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitor systems	Hand over	13 181	–	5 401	–	1 447	–	–	–
Workshops and stores	Construction of workshops and stores	Construction	–	–	–	50 382	13 842	3 600	–	5 000
Training facilities	Construction of single and married housing units in the form of houses and flats to accommodate military personnel	Construction	–	–	–	598	17 297	19 400	7 800	11 416
Kitchens	Construction and upgrading of kitchens	Construction	–	–	–	299	920	–	–	–
<b>Maintenance</b>										
1 Military Hospital: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Construction	296 778	81 612	140 744	32 216	–	–	–	–
Waterkloof Air Force Base: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Construction	191 991	48 160	12 720	4 820	27 500	–	–	–
35 Engineer Support Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Hand over	70 108	41 597	11 902	–	–	–	–	–
2 Military Hospital: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Construction	337 079	14 798	46 633	46 008	66 250	67 822	38 836	–
4 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Construction	183 804	48 091	26 105	18 710	25 733	–	–	–
Simon's Town Naval Dockyard: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Tender	339 472	5 589	54 492	57 881	31 250	11 739	–	–
21 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Tender	466 224	1 109	76 614	58 925	50 000	10 985	–	–
10 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Tender	249 863	1 492	41 099	21 034	50 000	25 695	–	–
Thaba Tshwane A-Mess: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design								
			360 000	–	–	1 428	62 500	62 170	55 234	20 977
1 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	25 528	468	–	–	24 039	3 909	–	–
4 Artillery Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	37 807	1 418	–	–	35 221	5 727	–	–

**Table 22.E Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand										
6 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	164 958	4 551	–	–	27 500	52 636	63 573	24 000
8 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	244 274	1 073	–	286	91 914	52 804	24 298	–
School of Artillery: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	63 400	910	–	–	14 212	22 182	8 611	–
1 Parachute Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	7 885	160	–	–	4 479	2 913	–	–
10 Anti-Aircraft and Air Defence Artillery School: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	225 098	2 003	–	3 451	37 309	32 397	12 565	48 204
44 Parachute Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	31 503	849	–	–	27 918	5 957	–	–
School of Engineers: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	130 955	1 171	–	–	42 803	51 712	19 223	–
2 Field Engineering Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	95 753	1 059	–	–	23 181	30 155	29 266	44 409
South African Army Combat Training Centre (including 16 maintenance units): Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	893 572	4 253	38 434	9 529	136 642	60 977	65 492	117 236
1 Special Service Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Design	28 673	568	–	–	17 565	11 425	–	–
7 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	157 195	1 996	–	–	12 500	12 401	40 451	48 129
South African Army office, Dequar Road: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	186 405	–	–	–	37 500	56 915	55 234	202 268
South African Air Force Blenny complex: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	226 100	–	–	10 806	56 250	61 907	55 234	22 575
Boekenhoutkloof communication facility: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	47 057	–	–	–	6 250	7 412	22 278	65 663
SAS Saldanha: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	165 667	–	–	–	8 750	30 765	39 453	119 861
Military Veterinary Institute: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	73 481	–	–	–	8 750	11 948	34 789	68 960



**Table 22.E Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R thousand										
Simon's town East Yard: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	8 882	-	-	-	-	406	1 184	(10 733)
Simon's Town Mountain Klaver Vallei: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	9 950	-	-	-	-	-	-	(5 349)
SAS Salisbury Island: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	15 000	-	-	-	-	-	-	-
SAS Salisbury Island: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	8 882	-	-	-	-	407	1 184	6 291
Littleton complex (7 Medical Battalion, Institute for Aviation Medicine, South African Crypto Security Agency): Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	105 339	-	-	-	-	4 878	7 891	21 571
Tech base complex (Technical Service Unit, Vehicle Reserve Park, 8 Medical Battalion): Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	108 721	-	-	-	-	-	4 734	8 988
Lephalale: South African Military Health Service military training area: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	48 887	-	-	-	-	-	-	2 247
Refurbishment of MHTS Bloemfontein	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	20 000	-	-	-	-	-	-	-
Refurbishment of Hebron Village	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	24 250	-	-	-	-	-	-	-
Langebaan: 8 married quarters: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	6 820	-	-	-	-	-	276	944
Phalaborwa: 35 married quarters duplex: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	5 970	-	-	-	-	-	-	270
Langebaan: 10 kilometre road resurface: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	5 572	-	-	-	-	244	710	1 618
Swartkop: 2 km road resurface: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	1 393	-	-	-	-	61	178	405
Refurbishment of SADIC / Resurface Of All Roads)	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	3 500	-	-	-	-	-	-	-
Garison financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	813	-	-	-	-	813	-	-

Table 22.E Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand										
Youngsfield financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	813	-	-	-	-	813	-	-
Mthatha financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	813	-	-	-	-	813	-	-
Grahamstown financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	813	-	-	-	-	813	-	-
Port Elizabeth general support base financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	813	-	-	-	-	813	-	-
Military Academy: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	140 226	-	-	-	-	6 138	17 872	40 715
Defence College: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	47 882	-	-	-	-	2 439	6 455	8 988
Castle, Cape Town: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, water and electrical, and groundworks	Identification	47 872	-	-	-	-	2 581	6 036	13 752
<b>Total</b>			<b>9 618 836</b>	<b>862 021</b>	<b>699 946</b>	<b>530 714</b>	<b>1 187 772</b>	<b>932 274</b>	<b>948 168</b>	<b>980 163</b>



**BUDGET 2013**  
ESTIMATES OF NATIONAL EXPENDITURE

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